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UNITED NATIONS POPULATION FUND

Estimates for the biennial support budget for 2006-2007

Summary

The Executive Director, UNFPA, submits herewith the estimates for the biennial support budget for 2006-2007, which total $209.0 million (gross) and $196.4 million (net).

UNFPA contributes to the attainment of the Millennium Development Goals (MDGs) by focusing on the goals and objectives of the Programme of Action of the International Conference on Population and Development (ICPD) and the key actions for the further implementation of the ICPD Programme of Action (ICPD+5). Increased global support for the UNFPA mandate is reflected in the substantial growth in donor contributions to regular resources during the period 2004-2005.

Building on the programmatic success of UNFPA, this budget reflects a strategic investment in areas where needs are greatest. These investments are primarily in the areas of increased staffing in Africa and other country office locations; increased support for learning and training initiatives; increased staffing in strategic planning and resource mobilization; and increased operational support for the Enterprise Resource Planning (ERP) system, known as Atlas. This budget also reflects substantial increases in mandatory costs for staff salaries and entitlements for existing posts, as well as increased costs for security and insurance.

Projected regular resources income has grown from $584.0 million in the 2004-2005 biennium to $747.0 million in the 2006-2007 biennial support budget proposal. This represents 28 per cent growth. Despite the rapid expansion in UNFPA income, the proposed gross budget appropriations represent an increase of 23 per cent – from $169.6 million in 2004-2005 to $209.0 million in 2006-2007.

UNFPA is committed to ensuring that maximum resources are available for programme delivery. Therefore, regular resources planned for programme implementation increase by 31.8 per cent, from approximately $400.7 million in the 2004-2005 biennial support budget proposal, to $528.2 million in the 2006-2007 biennial support budget proposal.

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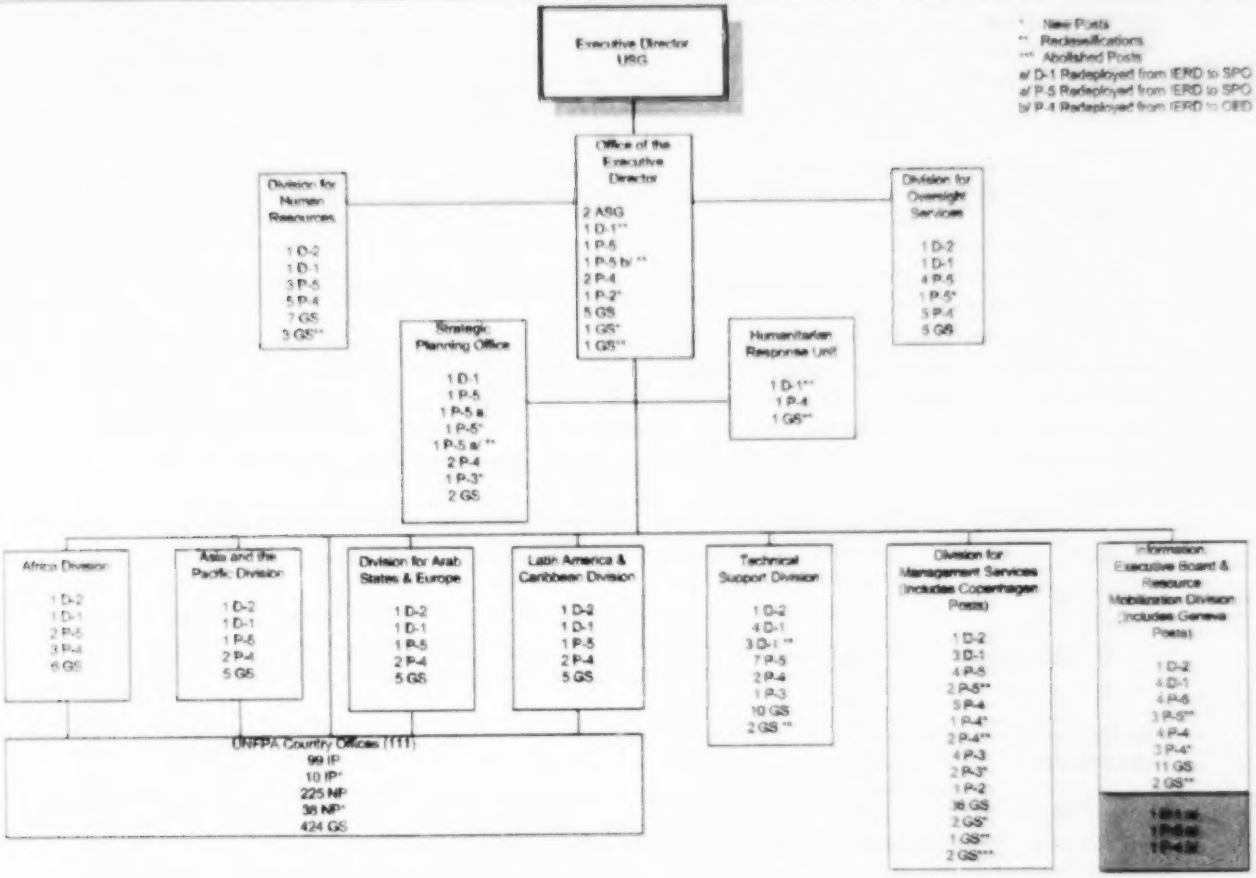
ABBREVIATIONS

ACABQ	Advisory Committee on Administrative and Budgetary Questions
AD	Africa Division
APD	Asia and the Pacific Division
BSB	Biennial support budget
CPAP	Country programme action plan
CST	UNFPA Country Technical Services Team
DASE	Division for Arab States and Europe
DHR	Division for Human Resources
DMS	Division for Management Services
DOS	Division for Oversight Services
DPKO	United Nations Department of Peacekeeping Operations
EDP	Electronic data processing
ERP	Enterprise Resource Planning (Atlas)
FICSA	Federation of International Civil Servants' Associations
FMU	Facilities Management Unit
HLCM	High Level Committee on Management
HRU	Humanitarian Response Unit
ICPD	International Conference on Population and Development
ICSC	International Civil Service Commission
ICT	Information and communications technology
IERD	Information, Executive Board and Resource Mobilization Division
IMIS	Integrated management information system
IPO	International programme officer
KPI	Key performance indicator
LACD	Latin America and the Caribbean Division
LCDB	Learning and Career Development Branch
MAIP	Malicious act insurance policy
MDGs	Millennium Development Goals
MIS	Management information services
MORSS	Minimum operating residential security standards
MOSS	Minimum operating security standards
MSB	Media Services Branch
MYFF	Multi-year funding framework
NPO	National programme officer
OED	Office of the Executive Director
OM	Operations manager
PAD	Performance appraisal and development system
PRMS	Programme resources management system
PRSP	Poverty reduction strategy paper
RBB	Results-based budgeting
RBM	Results-based management
RMB	Resource Mobilization Branch
SLA	Service-level agreements
SPO	Strategic Planning Office
SWAp	Sector-wide approach
TAP	Technical Advisory Programme
TSD	Technical Support Division
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDSS	United Nations Department of Safety and Security
UNSECOORD	Office of the United Nations Security Coordinator

UNFPA ORGANIZATIONAL CHART WITH FULL DETAILS ON POSTS



I. EXECUTIVE SUMMARY

1. The Executive Director of the United Nations Population Fund (UNFPA) submits herewith the estimates for the biennial support budget for 2006-2007, which total $209.0 million (gross)[1]. These estimates are based on a resource framework of $910.0 million for total income, which consists of $747.0 million in regular resources and $163.0 million in other resources. This proposal will be presented to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) for its examination and comments. The report of the ACABQ will be contained in document DP/FPA/2005/14.

2. The proposed budget has been prepared in accordance with the harmonized format and guidelines for UNDP, UNFPA and UNICEF, approved by the UNDP/UNFPA Executive Board in decisions 97/6 and 99/3[2].

A. Implementation of the 2004-2005 biennial support budget

3. In decision 2003/28, the Executive Board approved gross appropriations for 2004-2005 in the amount of $169.6 million, as indicated in the estimates for the biennial support budget for 2004-2005 (document DP/FPA/2003/11). The total appropriations were based on an expected income from regular resources of $586.7 million for the biennium. The table below summarizes the planned implementation of the biennial support budget for 2004-2005, based on actual figures for 2004 and estimates for 2005.

Biennial support budget implementation, 2004-2005 (millions of United States dollars)

Appropriation line	2004-2005 appropriations 1	Expenditures 2004 a/ 2	Expenditures 2005 b/ 3	Expenditures 2004-2005 4=2+3	Implementation rate (%) c/ 5=4:1
Programme support					
• Headquarters	29.2	14.5	14.8	29.3	100%
• Country offices	86.6	39.4	46.1	85.5	99%
Management and administration	53.8	27.1	27.7	54.8	102%
Grand total	169.6	81.0	88.6	169.6	100%

a/ UNFPA annual financial statements for the year that ended 31 December 2004 (not audited)

b/ Projection

c/ Decision 2003/28: The Executive Board "... *2. Authorizes* the Executive Director, UNFPA, to redeploy resources between appropriation lines up to a maximum of five per cent of the appropriation to which the resources are redeployed."

4. The above table indicates that, overall, 47.8 per cent of the amount appropriated by the Executive Board for the 2004-2005 biennium was spent by the end of 2004. In the second year of the budget, an increase is expected for expenditures in country offices, as the general weakening of the United States dollar has made the implementation of overseas operations more costly.

[1] Gross budget: The budget in which staff costs are estimated on a net basis (i.e., exclusive of staff assessment) and all other costs are estimated on a gross basis (i.e., inclusive of income tax payments for staff, total local office costs and cost of services to be rendered). Net budget: The budget in which estimates of payments to be received offset, in whole or in part, the related gross budget estimates.

[2] Documents DP/1997/2, Add.1, and DP/FPA/1999/1 provide details on the common format, terms and definitions, and methodology for the presentation of budget estimates. Annex I of this report contains a list of terms and their definitions as agreed by UNDP, UNFPA and UNICEF. Annex II contains an explanation of the methodology applied in calculating the budget estimates.

5. With respect to the budget for 2004-2005, it should be noted that UNFPA regular contributions are now projected at $689.8 million. This is $105.7 million more than was envisaged at the time document DP/FPA/2003/11 was prepared.[3]

6. In addition to the biennial support budget appropriation, it should be noted that in September 2004, UNFPA sought and obtained Executive Board approval for additional security resources totalling $6.8 million. This amount has been recorded as a reserve and its utilization will be disclosed in the financial statements and reported to the Executive Board in the annual financial review, 2004.

7. The reserve is meant to provide UNFPA with additional resources to: (a) relocate some country offices to safer premises; (b) comply with minimum operating security standards (MOSS); (c) meet the UNFPA-apportioned share of the increased cost of United Nations security arrangements, due to the increased numbers of field security officers and related support services; (d) meet increased insurance premiums and seek additional insurance to offset the reduction in coverage; and (e) establish a basic security structure through the recruitment of three field-based regional security advisers and one support staff member at headquarters. At the time this document was being finalized, the utilization of the reserve stood at $1.0 million. This figure does not reflect the recruitment, currently in progress, of three regional security advisers, mentioned under (e) above.

B. Strategic framework of the 2006-2007 biennial support budget

8. Multi-year funding framework. The multi-year funding framework (MYFF), 2004-2007, is the organizational medium-term strategic plan for UNFPA. It consists of a strategic results framework and an integrated resources framework. The MYFF provides a framework for country and intercountry programmes and the Technical Advisory Programme (TAP). The biennial support budget estimates provide adequate support to the strategic priorities of the UNFPA programme within available resources. These strategic priorities are in turn aligned to the MDGs and poverty reduction.

9. UNFPA Global Meeting. UNFPA organized a global meeting of its staff from 28 November to 3 December 2004, in Princeton, New Jersey. The meeting, which brought together managers and staff from country offices and headquarters, provided a unique opportunity to further refine the UNFPA strategic approach to meeting its goals. A consensus emerged on a number of areas that require investments to improve organizational performance and equip UNFPA to address the challenges of an evolving environment. Some of these areas are included in the biennial support budget proposals as indicated below:

(a) Increase influence in national policy dialogue to ensure that ICPD is central to national processes in programme countries. Country office staff must be able to operate effectively in the national policy-making environment, to link programmes more closely to policy development and to increase the availability of replicable experiences, good practices and lessons learned. UNFPA implemented the country office typology in 2002-2003 to strengthen country offices. Since then, UNFPA has determined that further investments in country office capacity are required, particularly in Africa. To enhance influence in national policy dialogue in programme countries, UNFPA proposes to increase its presence in the field by 48 professional posts, both national and international;

(b) Stronger partnerships to advance the ICPD Programme of Action, a more effective image and more effective marketing. It is vital for UNFPA to strengthen advocacy skills at all levels and to

[3] Source: for 2004, financial statements ($322.5 million); for 2005, resource distribution plan ($367.3 million).

provide convincing evidence of the role of gender equality, reproductive health and population dynamics in reducing poverty. The proposed addition of three professional posts to the Information, Executive Board and Resource Mobilization Division (IERD) will help to increase the visibility of UNFPA, generate stronger partnerships and improve fund-raising capacity. The inclusion of the operational costs of the UNFPA website under core resources is an investment that also falls in this area;

(c) Effective environmental scanning. The role of the Strategic Planning Office (SPO) is to ensure that the strategic direction of UNFPA is translated into results-oriented planning and management at the organizational level and to plan for the effective and efficient allocation of financial resources to achieve organizational goals. The latter requires internal and external environmental scanning in order to identify major trends that may have an impact on UNFPA policies and programmes and to ensure that UNFPA adapts swiftly to such trends. The addition of four professional headquarters posts (two from the redeployment of the Knowledge Sharing Branch, previously located in IERD) will strengthen strategic planning and managing for results;

(d) Improved accountability and performance. Accountability and performance were among the major topics of discussion at the UNFPA global meeting. Several dimensions were identified as critical for the organization to advance in these areas:

(i) Staff training, particularly of supervisors, on technical and management skills, including coaching, mentoring, providing feedback and managing conflict. Particular emphasis was placed on the advancement, grooming and development of national staff;

(ii) Provision of systems and management tools to enable more effective management of programmes, reporting on results, and furthering results-based management and results-based budgeting; and

(iii) Strengthening synergies between geographical divisions and country offices, including in technical areas.

As a consequence, sustained investments in staff training; the net addition of three professional posts in the Division for Management Services (DMS); the setting aside of additional resources for information technology; the addition of a senior evaluation adviser post in the Division for Oversight Services (DOS); and the addition of one junior professional to provide support to the Office of the Executive Director (OED), have been included in the biennial support budget proposal. Furthermore, additional resources are required to strengthen the achievements of wave 1 of the ERP (Atlas) project to fund the implementation of additional system functionalities.

(e) Support to United Nations reform. One issue widely discussed at the global meeting was the need to strengthen UNFPA country offices and headquarters units to support various United Nations reforms, including the roll-out of the United Nations Development Assistance Framework (UNDAF) and country programme action plan (CPAP) and the various simplification and harmonization initiatives undertaken by the United Nations Development Group (UNDG). Specific examples of the increased workload for UNFPA include participation at the country level in the continuing development of the UNDAFs and training on and development of the CPAP framework; UNFPA participation as chair of the UNDG programme group; chair of the working group on common premises and services; chair of the joint office working group; and extensive participation of UNFPA staff in the UNDG management group and its various working groups, including those on financial

policies, information and communications technology, and cash transfer modalities. This budget proposal reflects the corporate decision to support these increases in workload from existing posts, due to resource limitations;

(f) Regionalization. With respect to field support, it should be noted that UNFPA is exploring alternative options to its current set-up, including the possibility of a deployment to the field of programme support divisions or units currently located at headquarters – geographical divisions, the Technical Support Division and the Humanitarian Response Unit. UNFPA is assessing various issues, including improving programme delivery, cost effectiveness, better support to programme countries and improved visibility. While the present budget proposal does not include any action aimed at regionalizing UNFPA, should the regionalization study currently under way indicate that there are options for UNFPA to further strengthen its support to country programmes, UNFPA will inform the Executive Board and submit in 2006 a revised biennial support budget for 2006-2007.

10. Cost issues. This budget proposal is also geared to enable UNFPA to cope with steep cost increases. These are a result of two major factors:

(a) The weakening of the United States dollar, which has contributed to increased costs of purchasing goods and services overseas. The major area affected by this trend is the payroll, as inflationary pressures affect both local salary scales and post adjustments applied to international positions; and

(b) Security threat levels for United Nations operations worldwide. These require measures to ensure that United Nations organizations have the capacity to respond effectively to the demands of an increasingly dangerous environment. These measures are for the most part mandatory, as they stem from compliance to agreed standards, such as MOSS and minimum operating residential security standards (MORSS), as well as from the strengthened and unified security management system for the United Nations adopted by the General Assembly [4]. Security was discussed widely at the UNFPA global meeting; UNFPA staff concurred that a secure environment is a prerequisite for effective programme delivery.

C. Financial implications of implementing the strategic framework of the 2006-2007 biennial support budget

11. The proposed budget for 2006-2007 is based on $910.0 million for total income, which consists of $747.0 million in regular resources and $163.0 million in other resources. The projection for other resources derives from $136.0 million from donor contributions, $24.0 million from foundations and $3.0 million from reimbursable procurement. The regular resources projection is strong, despite the loss of funding from a major donor for the last four years. It is based on recent trends of a widening donor base and the large number of contributors from the euro area. Recent trends in regular income (figure A) support this projection.

12. The estimates of UNFPA resources for the 2006-2007 biennium and a breakdown of their planned use are displayed in table 1. The opening balances total $2.5 million from regular resources and $135 million from other resources. Along with income for the biennium, the opening balance leads to over $1 billion in total resources available for programme and support activities in 2006-2007.

[4] Section XI of resolution A/RES/59/276 of 23 December 2004.

13. Figure B shows how total resources will be used in the 2006-2007 biennium. The largest portion of total resources, $718.2 million, or 76.7 per cent of the total expected expenditures, will be spent directly on programmes, compared to 74.3 per cent in the 2004-2005 biennial support budget (DP/FPA/2003/11). In dollar terms, the growth in total resources for the programme totals $160.4 million.

14. Of the total estimated expenditures, 21.0 per cent will be used for three components of the biennial support budget: (a) programme support at the country level (10.7 per cent); (b) programme support at headquarters (3.7 per cent); and (c) management and administration of the organization (6.6 per cent).

Figure A: UNFPA income, 1999-2005*

	1999	2000	2001	2002	2003	2004	2005
Regular resources	245.1	256.6	258.3	250.1	288.5	322.8	367.3
Other resources	72.2	143.1	123.5	109.5	103.6	171.5	80.0
Total	317.3	399.7	381.8	359.6	392.1	494.0	447.3

* Source: for 1999-2004, annual financial statements; for 2005, projections.

Figure B: Use of total resources, 2006-2007 (source: table 1)

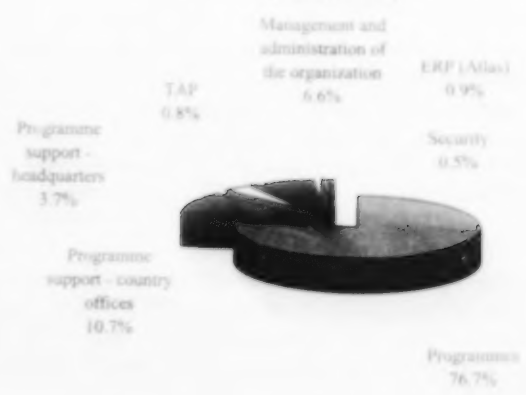


Table 1. UNFPA resource plan

(Thousands of United States dollars) a/

	2004-2005						2004-2005 with security reserves b/						2006-2007					
	Regular resources		Other resources		Total resources		Regular resources		Other resources		Total resources		Regular resources		Other resources		Total resources	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Resources available																		
Opening balance	2,300.0		123,000.0		125,300.0		2,300.0		123,000.0		125,300.0		2,300.0		135,000.0		137,300.0	
Income																		
Contributions	554,100.0		136,000.0		730,100.0		554,100.0		136,000.0		730,100.0		747,300.0		136,000.0		883,300.0	
Other	2,560.0		15,440.0		18,000.0		2,560.0		15,440.0		18,000.0		0.0		24,000.0		24,000.0	
Reimbursement for services																		
	0.0		2,500.0		2,500.0		0.0		2,500.0		2,500.0		0.0		1,000.0		1,000.0	
Subtotal	556,660.0		153,940.0		710,600.0		556,660.0		153,940.0		710,600.0		747,300.0		163,000.0		910,300.0	
Total	558,960.0		276,940.0		835,900.0		558,960.0		276,940.0		835,900.0		749,600.0		298,000.0		1,047,600.0	
Use of resources: programme and support activities																		
UNFPA programmes and support activities																		
A. Programmes	480,659.2	60.6%	137,340.0	85.2%	617,999.2	68.8%	480,659.2	67.7%	137,340.0	84.2%	617,999.2	73.8%	728,177.4	70.0%	190,000.0	100.0%	918,177.4	76.7%
B. Programme support																		
Country offices	79,122.4	13.6%	0.0	0.0%	79,122.4	10.3%	79,122.4	13.6%	0.0	0.0%	79,122.4	10.5%	99,994.6	13.4%	0.0	0.0%	99,994.6	11.7%
Headquarters	26,668.4	4.6%	0.0	0.0%	26,668.4	3.6%	26,668.4	4.6%	0.0	0.0%	26,668.4	3.6%	34,472.9	4.6%	0.0	0.0%	34,472.9	2.7%
TAF	7,240.0	1.2%	0.0	0.0%	7,240.0	1.0%	7,240.0	1.2%	0.0	0.0%	7,240.0	1.0%	7,600.0	1.0%	0.0	0.0%	7,600.0	0.6%
Project recovery c/	17,250.0	3.0%	9,750.0	5.8%	27,000.0	3.6%	17,250.0	3.0%	9,750.0	5.7%	27,000.0	3.6%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Subtotal	24,490.0	4.2%	9,750.0	5.8%	34,240.0	4.6%	24,490.0	4.3%	9,750.0	5.7%	34,240.0	4.6%	7,600.0	1.0%	0.0	0.0%	7,600.0	0.6%
Total programme support	130,280.8	22.3%	9,750.0	5.8%	140,030.8	18.7%	130,280.8	17.7%	9,750.0	5.7%	140,030.8	18.7%	142,067.4	19.1%	0.0	0.0%	142,067.4	11.2%
C. Management and administration of the organization	49,170.0	8.4%	0.0	0.0%	49,170.0	6.5%	49,170.0	8.4%	0.0	0.0%	49,170.0	6.5%	61,965.2	8.2%	0.0	0.0%	61,965.2	4.6%
D. ERP (ATLAS project)	3,750.0	0.6%	0.0	0.0%	3,750.0	0.5%	3,750.0	0.6%	0.0	0.0%	3,750.0	0.5%	13,930.0	1.2%	0.0	0.0%	13,930.0	0.9%
Security							4,791.0	1.2%	0.0	0.0%	4,791.0	0.6%	4,700.0	0.6%	0.0	0.0%	4,700.0	0.3%
Total	583,860.0	100.0%	166,840.0	100.0%	750,800.0	100.0%	612,660.0	100.0%	166,840.0	100.0%	779,800.0	100.0%	745,760.0	100.0%	190,000.0	100.0%	935,760.0	100.0%
Closing balance	2,300.0		110,000.0		112,300.0		2,300.0		110,000.0		112,300.0		3,840.0	d/	108,000.0		111,840.0	
Institutional support budget																		
Total net budget estimates e/	134,960.8		0.0		134,960.8		134,960.8		0.0		134,960.8		196,432.6		0.0		196,432.6	
Estimated income and adjustments	14,600.0		0.0		14,600.0		14,600.0		0.0		14,600.0		12,600.0	f/	0.0		12,600.0	
Subtotal	14,600.0		0.0		14,600.0		14,600.0		0.0		14,600.0		12,600.0		0.0		12,600.0	
Total gross estimates	149,560.8		0.0		149,560.8		149,560.8		0.0		149,560.8		209,032.6		0.0		209,032.6	

a/ Figures in this table and in the rest of the document are rounded to the closest decimal. Thus, there may be minor differences due to rounding.

b/ Adjusted plan for 2004-2005 reflects under "use of resources" $4.8 million in additional security resources requested through document DP/FPA/2004/4, approved by the Board in September 2004.

c/ Indirect costs are reported as direct programme expenditures in the UNFPA financial statements beginning with the 2004-2005 biennium.

d/ The closing balance does not reflect adjustments to the operational reserve for the 2006-2007 biennium required by the financial regulations.

e/ Sum of programme support, country offices programme support, headquarters, and management and administration of the organization.

f/ For 2006-2007, all income to the budget is reflected here. This reduces other income under "resources available" to 0.

15. The budget estimates total $209.0 million (gross) or $196.4 million (net). These represent 28.0 per cent (gross) or 26.3 per cent (net) of the regular resources income estimate of $747.0 million. These percentages show an improvement vis-à-vis the equivalent percentages in the 2004-2005 biennium, which were 29.0 per cent (gross) and 26.5 per cent (net). This indicates that, despite strategic investments and prevailing cost increases, UNFPA has sought efficiency gains in its biennial support budget activities.

16. In 2006-2007, $7.6 million or 0.8 per cent of total resources will be provided to implement the TAP, which falls under programme support.[5]

17. An additional provision of $8.9 million or 0.9 per cent of total expected expenditures is for developmental costs of the ERP (Atlas) project. Combined with the $13.8 million set aside for the ERP (Atlas) project in the past two budget documents (DP/FPA/2003/11 and DP/FPA/2002/9), the investment for ERP (Atlas) totals $22.9 million over the 2002-2007 period.

18. UNFPA is also proposing to set aside $4.7 million to replenish the security reserve for its share of the costs of establishing the United Nations Department of Safety and Security ($3.2 million) as well as to establish a new global access control system at headquarters ($1.5 million).

19. Income to the biennial support budget. Reimbursement for services rendered by UNFPA is recorded as income to the regular resources budget to compensate for related administrative costs, as required in the harmonized budget format. For 2006-2007, $12.6 million will be credited to the biennial support budget. Procurement services to third parties are administered separately from regular resources. The balance of income remaining at the close of the biennium after meeting the direct costs of these services is credited to the biennial support budget.

20. Based on current projections of the total volume of third party procurement services estimated for 2006-2007, it is envisaged that the total generated income of $3.0 million will be largely offset by direct costs and operating expenses pertaining to procurement services, thereby leaving a zero balance to credit to the gross biennial support budget. Income tax reimbursed to nationals of one Member State is also credited to the budget. Since there was no contribution from this Member State, no amount for income tax was credited to the gross budget. Any unforeseen growth in income to the budget will result in a reduction of the net biennial support budget.

[5] Eighty per cent of TAP resources are accounted for as programme activities (UNFPA Country Technical Services Team (CST) posts and activities) while the remaining 20 per cent of TAP resources fall under programme support (CST office costs), as per past agreement with the Executive Board.

Table 2. Summary of main areas of increase or decrease

(thousands of United States dollars)

		Volume a/	Cost a/	Total
I. 2004-2005 net appropriation estimates				**154,960.6**
	II. Increases			
Headquarters	New posts	3,528.5		
	Post reclassifications	811.6		
	Existing posts		9,821.9	
	Reimbursement and contributions to agencies	493.6	3,597.1	
	Insurance and security		747.7	
	Consultants and contractual services	1,921.3		
	Premises, rental and alterations	1,382.0	226.1	
	Learning costs	861.0		
	Audio visual and printing	854.1		
	Information technology (equipment and rental)	384.2		
Subtotal headquarters		**10,236.4**	**14,392.8**	
Country offices	New posts	6,886.4		
	Existing posts		9,525.6	
	Insurance and security		701.4	
	Premises, rental and alterations	335.8	791.4	
	Reimbursement and contributions to agencies		376.5	
	Travel	433.8	271.1	
	Information technology (equipment and rental)	382.1		
	Learning costs	209.2		
Subtotal country offices		**8,247.2**	**11,665.9**	
Subtotal increases		**18,483.7**	**26,058.8**	
	III. Decreases			
Headquarters	Premises		(3,600.0)	
	Learning costs		(1,050.1)	
	Insurance and security		(137.5)	
	Overtime and night differential	(430.6)		
	Abolished posts	(289.4)		
Subtotal headquarters		**(720.1)**	**(4,787.6)**	
Country offices	Insurance and security		(412.5)	
	Abolished posts	(308.3)		
	Overtime and night differential	(215.0)		
	Consultants and contractual services	(137.1)		
Subtotal country offices		**(720.4)**	**(412.5)**	
Subtotal decreases		**(1,440.4)**	**(5,200.1)**	
IV. Other net adjustments	Headquarters	42.2	476.6	
	Country offices	(860.2)	1,911.5	
V. Net change in income to the budget		**2,000.0**		
VI. 2006-2007 net revised appropriation estimates		**18,225.2**	**23,246.7**	**196,432.5**

a/ See annex II, Methodology, for the definition of volume and cost

D. Summary of proposals

21. Major areas of volume and cost variation. Table 2 highlights selected areas of decrease or increase in the biennial support budget proposal for 2006-2007, compared to the 2004-2005 biennial support budget proposal contained in document DP/FPA/2003/11. An explanation of the changes follows.

Country offices: increases

22. The major factor of increase is for posts, both new posts ($6.9 million) and existing posts ($9.5 million). Forty-eight new posts in country offices, of which 10 are international professional posts, have been proposed. While the new posts are accounted for under volume, the higher costs associated with existing posts are accounted for under cost increase. Posts in the field are becoming more expensive due to higher salary scales and post adjustments. These reflect, in turn, inflationary pressures that stem from the weakening of the United States dollar overseas. Table 2 also highlights the increased cost for premises, rental and alterations ($0.8 million), and mandatory cost increases for insurance and security ($0.7 million), as well as agency reimbursement for services provided and the contribution for joint activities ($0.4 million).

23. With respect to volume increases, besides those mentioned above, escalations are projected for travel ($0.4 million), information technology equipment and rental ($0.4 million), premises rental and alterations ($0.3 million), and learning costs ($0.2 million). An adjustment in travel volumes to more realistic levels was required after the reduction reflected in the biennial support budget for 2004-2005. Additional travel resources have also been budgeted for the new regional auditor and regional security posts.

Country offices: decreases

24. Among the decreases recorded for country offices are decreases in volume for post reductions $(0.3) million, overtime $(0.2) million, consultants and contractual services $(0.2) million, and decreases in cost resulting from the recovery of insurance and security charges directly incurred by project staff $(0.4) million.

Headquarters: increases

25. The major increases are for posts – new posts ($3.5 million) and existing posts ($9.8 million). While adjustments for the former are in volume, the latter are cost increases. Posts increases at headquarters are due to new salary scales, an increase in after-service health insurance and higher costs associated with more complex and thorough recruitment processes adopted by the Division for Human Resources (DHR). Volume increases are those associated with the proposed net addition of 11 new posts, 10 of which are international professional posts.

26. As in the case of country offices, table 2 also shows the increase in mandatory costs such as reimbursement to agencies for services provided and contributions for joint activities ($3.6 million), and insurance and security ($0.7 million).

27. With respect to volume increases, besides those associated with the proposed establishment of the new posts mentioned above, other increases are projected for the reclassification of some existing posts ($0.8 million); the increase in the utilization of consultants and contractual services ($1.9 million);

and premises expansion and associated alterations ($1.4 million). Also included are operational costs for the UNFPA website and printing ($0.9 million), as well as additional investments in staff training ($0.9 million) and information technology ($0.4 million). The inclusion of website operations under the biennial support budget reflects the key role that the website plays in increasing visibility for UNFPA and its programmes.

Headquarters: decreases

28. The most important elements of decrease at headquarters are associated with policies to recover direct costs incurred by project staff. Based on the estimated number of project staff at headquarters, $5.7 million will be recovered for premises. Since the budgeted recovery was $2.1 million in the 2004-2005 biennial support budget, this represents a cost decrease of $3.6 million vis-à-vis the 2004-2005 biennial support budget.

29. Traditionally, a share of resources has been budgeted at headquarters for DHR training activities that are usually performed at headquarters to benefit both headquarters and country office staff. Table 2 indicates that increased training activities both at headquarters and the field, totalling approximately $1.0 million, will be offset by a projected recovery of direct costs incurred by project staff in the amount of $(1.1) million.

30. Finally, among the decreases incurred at headquarters are those for two general service posts that have been abolished in DMS $(0.3) million.

Summary tables for resources and posts

31. Table 3 summarizes the net budget estimates by appropriation line and by location and highlights the volume and cost adjustments vis-à-vis the 2004-2005 biennial support budget. UNFPA estimates net volume increases of $18.2 million and net cost increases of $23.2 million. Of the total net increase of $41.5 million, 56.1 per cent is for cost. Gross appropriation for country offices accounts for 50.9 per cent of the total proposal, while headquarters accounts for 49.1 per cent. These ratios are similar to those reported in the biennial support budget proposal for 2004-2005, reflecting a continued effort to increase the field share of the support budget. Programme support (headquarters) accounts for 17.5 per cent, while the share for management and administration of the organization is 31.5 per cent.

32. Table 4 provides an overview of regular resources posts by category, appropriation line and location. There is a proposed increase of 59 posts, from 972 to 1031. It should also be noted that there is some redeployment in post distribution both at headquarters and in the field. Further details on this redeployment are provided in section II of this document. Of the 59 net new posts proposed, 48 are in the field (10 international professionals and 38 national professionals) and 11 are in headquarters (10 international professionals and one general service staff). Table 3 also highlights the deployment of procurement services to Copenhagen, Denmark, which resulted in the relocation of three biennial support budget posts from headquarters to Copenhagen.

33. Figure C provides a breakdown of the utilization by expenditure category of the $209.0 million (gross) biennial support budget proposed for 2006-2007.

Table 3. Budget estimates by appropriation line and by location

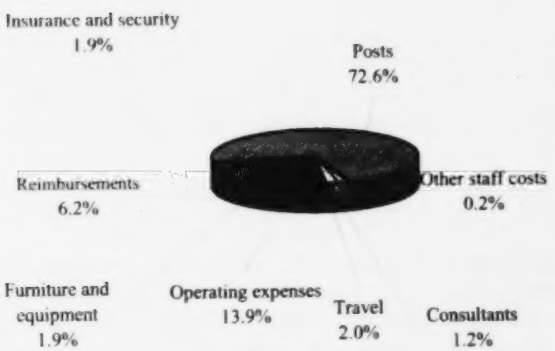
(Thousands of United States dollars)

Gross budget estimates	2004-2005 Proposed estimates	% of Total	Changes Volume Inc./(Dec.)	%	Cost Inc./(Dec.)	%	2006-2007 Proposed estimates	% of Total
By appropriation line								
Programme support								
Country offices	86,577.1	51.1%	6,666.6	7.7%	13,164.9	15.2%	106,408.7	50.9%
Headquarters	29,181.0	17.2%	2,822.8	9.7%	4,680.3	16.0%	36,684.1	17.5%
Mgmt. and admin. of org.	53,802.6	31.7%	6,735.7	12.5%	5,401.5	10.0%	65,939.9	31.5%
TOTAL	169,560.6	100.0%	16,225.2	9.6%	23,246.7	13.7%	209,032.6	100.0%
By location								
Country offices	86,577.1	51.1%	6,666.6	7.7%	13,164.9	15.2%	106,408.7	50.9%
Headquarters	82,983.6	48.9%	9,558.6	11.5%	10,081.8	12.1%	102,624.0	49.1%
TOTAL	169,560.6	100.0%	16,225.2	9.6%	23,246.7	13.7%	209,032.6	100.0%
Estimated income	(14,600.0)		2,000.0	-13.7%			(12,600.0)	
Net budget estimates	154,960.6		18,225.2	11.8%	23,246.7	15.0%	196,432.6	

Table 4 Regular resources posts by category, appropriation line and location

Posts	2004-2005 Proposed posts IP	NP	GS/ Oth.	Total	% of Total	Changes Increase/Decrease (net) IP	NP	GS/ Oth.	Total	2006-2007 Proposed posts IP	NP	GS/ Oth.	Total	% of Total
By appropriation line														
Programme support														
Country offices	99	225	424	748	77.0%	10	38	0	48	109	263	424	796	77.2%
Headquarters	46	0	36	82	8.4%	4	0	0	4	50	0	36	86	8.3%
Mgmt. and admin. of org.	69	0	73	142	14.6%	6	0	1	7	75	0	74	149	14.5%
TOTAL	**214**	**225**	**533**	**972**	**100.0%**	**20**	**38**	**1**	**59**	**234**	**263**	**534**	**1031**	**100.0%**
	22.0%	23.1%	54.8%	100.0%						22.7%	25.5%	51.8%	100.0%	
By location														
Country offices	99	225	424	748	77.0%	10	38	0	48	109	263	424	796	77.2%
	46.3%	100.0%	79.5%	77.0%					0	46.6%	100.0%	79.4%	77.2%	
HQ New York	113	0	108	221	22.7%	8	0	0	8	121	0	108	229	22.2%
Geneva	2	0	1	3	0.3%	0	0	0	0	2	0	1	3	0.3%
Copenhagen	0	0	0	0	0.0%	2	0	1	3	2	0	1	3	0.3%
Total Headquarters	115	0	109	224	23.0%	10	0	1	11	125	0	110	235	22.8%
	53.7%	0.0%	20.5%	23.0%						53.4%	0.0%	20.6%	22.8%	
TOTAL	**214**	**225**	**533**	**972**	**100.0%**	**20**	**38**	**1**	**59**	**234**	**263**	**534**	**1031**	**100.0%**
	22.0%	23.1%	54.8%	100.0%						22.7%	25.5%	51.8%	100.0%	

Figure C: Gross expenditures by category, 2006-2007
(source: table II)



II. PROPOSALS FOR THE 2006-2007 BIENNIAL SUPPORT BUDGET

A. Strategic investments

1. Human resources

Headquarters

34. Strategic Planning Office. This budget proposal addresses the need to strengthen strategic planning in UNFPA. The SPO: (a) ensures that the UNFPA strategic direction is translated into results-oriented planning and management at the organizational level; and (b) plans the effective and efficient allocation of resources to achieve organizational results. The SPO has a central role in identifying emerging global trends and issues and in analysing their implications in order to position UNFPA strategically. It is also responsible for promoting knowledge sharing in UNFPA and for improving results at each level of the organization.

35. The major changes for the SPO in the proposed 2006-2007 budget are the net addition of four international professional posts: (a) a P5 and a D1 (reclassified downwards to P5) from the redeployment of the Knowledge Sharing Branch from IERD to SPO; and (b) two new posts – a P3 (Data Analyst, MYFF/Results-based Management Unit, to enhance the capacity of SPO to monitor and report on the MYFF) and a P5 (Chief, Environmental Analysis Unit), to strengthen internal and external strategic scanning, to understand major trends that could have an impact on UNFPA policies and programmes, and to help UNFPA adapt to such trends. These are critical tasks given the increased attention placed by senior managers and UNFPA stakeholders on issues related to results and accountability.

36. Information, Executive Board and Resource Mobilization Division. Ten years after ICPD, the UNFPA information and communications strategy has been reviewed and strengthened to better fulfil the mandate of the organization and to increase global funding for the ICPD agenda. An independent review of advocacy and fund-raising stressed the need for UNFPA to promote its visibility and increase its brand recognition, on the basis that increased knowledge by the public about the work of UNFPA would lead to more effective fund-raising. After discussions on this matter and as a result of recommendations of the UNFPA global meeting, two new P4 Resource Mobilization Specialists have been proposed for the 2006-2007 biennial support budget.

37. IERD capacity must also be strengthened to promote the ICPD agenda and the key actions for the further implementation of the ICPD Programme of Action (ICPD+5) to decision makers and the public at large. Additional strength is required to coordinate the production and dissemination of printed and audiovisual materials and to maintain relations with the media, so as to generate greater public understanding and support for the ICPD agenda and MDGs. Accordingly, a P4 Media/Information Specialist has been proposed for the 2006-2007 biennium.

38. Division for Management Services. UNFPA is reviewing the structure of DMS. DMS has felt the impact of organizational growth because its responsibilities extend to management information services, finance and budgeting, administration, procurement and security. DMS requires urgent staffing changes to address discrepancies between the current workforce and its increased responsibilities. Three professional posts are being added: a P4 Information Technology Architect and a P3 Network Manager in the Management Information Services (MIS) Branch, and a P3 post in the Procurement and Facilities Management Branch.

39. Furthermore, in compliance with the security proposal approved by the Executive Board in September 2004 (decision 2004/27), UNFPA has established a support post to assist the Security Adviser. To address pressing business needs, UNFPA has also proposed a support post to deal with asset management. The assessment also recommended the elimination of two support posts – one in the MIS Branch and the other in the Procurement and Facilities Management Branch. In 2005, the Procurement Unit in DMS was deployed to Copenhagen, Denmark, joining what is now a major United Nations hub for procurement activities. The Government of Denmark provided relocation funds and cost-free premises. Three core posts (two professional posts and one general service post) have been deployed from New York as a result of the relocation.

40. Division for Oversight Services. UNFPA has proposed the addition of a P5 Evaluation Adviser to increase strength with respect to evaluation processes. It should be noted that, in addition to the proposal for this new post, the biennial support budget estimates reflect other actions for DOS that are a result of the evolving relationship between UNFPA and UNDP in the area of internal audit. Three national auditor posts in the field have been added to the two established in 2004-2005 in sub-Saharan Africa to perform audits of UNFPA country offices. As a result, in 2006-2007, UNFPA will disengage itself completely from the UNDP regional audit service centres and adopt a more effective approach.

41. Office of the Executive Director. Two new posts have been proposed – a P2 post to provide support to the Office, and a support staff post, for increased secretarial needs. UNFPA has also proposed the redeployment of a P4 speechwriter post from IERD, reclassified to a P5 as a reflection of the complexity of drafting speeches and official texts for the Executive Director.

42. Post reclassifications. The biennial support budget proposal for 2006-2007 includes resources for the reclassification of 24 headquarters posts in both the professional (14) and general service (10) categories. Details of the proposed classifications are provided in annex IV. UNFPA is cognizant of ACABQ recommendations on the matter of reclassifications and has endeavoured to ensure that all the proposed classifications arise from changes in the nature of the functions to be undertaken.

Proposed new posts, HQ					
Division/Branch	**Description of new/abolished posts**	**Level**	**New Post**	**Abolished Post**	**Net**
OED	Support to ED's Office	P2	1		1
OED	Secretary	G5	1		1
Total OED			2	0	2
DMS/MIS	IT Architect	P4	1		1
DMS/MIS	Network Manager	P3	1		1
DMS/MIS	Report Assoc - Post 1953	G7		(1)	(1)
DMS/FMU	Facilities Mgmt Specialist 4/	P3	1		1
DMS/FMU	Admin Assoc - Security 1/	G6	1		1
DMS/FMU	Asset Mgmt Assoc	G6	1		1
DMS/FMU	Clerk - Post 1775	G4		(1)	(1)
Total DMS			3	(2)	3
DOS/OOE	Evaluation Adviser	P5	1		1
Total DOS			1	0	1
SPO	Chief, Environmental Analysis Unit	P5	1		1
SPO	Data Analyst (MYFF-RBM)	P3	1		1
Total SPO			2	0	2
IERD/MSB	Media/ Information Specialist	P4	1		1
IERD/RMB	Resource Mobilization Specialist	P4	1		1
IERD/RMB	Resource Mobilization Specialist	P4	1		1
Total IERD			3	0	3
TOTAL			13	(2)	11

43. Related to the issue of post reclassifications is the issue of post levels at headquarters. UNFPA has argued in the past that, due to its limited staff size and the complexity of its work, accommodating entry-level professional posts has been a challenge. It should be noted that, of the 10 new professional posts proposed for headquarters, four are P3 and below. The addition of posts at headquarters is summarized in the table above.

Country offices

44. Strengthening field presence. An important strategic dimension of this budget proposal is to strengthen the field presence of UNFPA. In 2002-2003, UNFPA launched a country office typology in order to align core staffing to country programme complexity, country priority classification and other country-specific circumstances that required additional staffing strength. The country office typology established a different mix of skills that reinforce the involvement of national professional officers in substantive areas and strengthen managerial capacity by establishing an operations manager function in countries where UNFPA assistance is most needed.

45. After testing the typology for a full biennium, UNFPA has concluded that, while it has resolved many inconsistencies between programme country needs and resources, further adjustments are needed, particularly where there is weak national capacity or where there is a need to increase the visibility of UNFPA and its involvement in national policy development. This has resulted in the inclusion in this budget proposal of 48 additional country office posts, 33 of which are in Africa. The following table provides details on these post additions.

Proposed new posts (country offices)				
Country	**Description**	**New Post**	**Abolished Post**	**Net**
Africa				
Angola	National Programme Officer	1		1
Benin	National Programme Officer	1		1
Burkina Faso	National Programme Officer	1		1
Cameroon	National Programme Officer	1		1
Central African Republic	National Programme Officer	1		1
Chad	National Programme Officer	1		1
Congo	National Programme Officer and Operations Manager	2		2
Côte d'Ivoire	National Programme Officer - Regional Auditor		(1)	(1)
Democratic Rep. of Congo	National Programme Officer	1		1
Equatorial Guinea	National Programme Officer	2		2
Eritrea	Operations Manager	1		1
Gabon	National Programme Officer	1		1
Ghana	P4 Deputy Representative	1		1
Kenya	National Programme Officer	1		1
Lesotho	P5 Representative	1		1
Malawi	National Programme Officer	1		1
Mauritania	National Programme Officer	1		1
Mozambique	National Programme Officer	1		1
Namibia	National Programme Officer and Operations Manager	2		2
Niger	National Programme Officer	1		1
Nigeria	National Programme Officer	2		2
Rwanda	National Programme Officer	1		1
Senegal	National Programme Officer - Regional Auditor	1		1
Senegal	National Programme Officer	1		1
Senegal	P4 Deputy Representative	1		1

Sierra Leone	National Programme Officer	1		1
South Africa	National Programme Officer	1		1
South Africa	National Programme Officer - HIV/AIDS counselling		(1)	(1)
South Africa	P4 Deputy Representative		(1)	(1)
South Africa	P4 Regional Security Adviser	1		1
Swaziland	National Programme Officer	1		1
Swaziland	P5 Representative	1		1
Togo	Operations Manager	1		1
Zimbabwe	National Programme Officer	1		1
Zimbabwe	National Programme Officer - HIV/AIDS counselling	1		1
Total		**36**	**(3)**	**33**
Asia and Pacific				
Bhutan	National Programme Officer	1		1
China	National Programme Officer	1		1
Lao People's Dem. Rep.	P4 Deputy Representative	1		1
Thailand	National Programme Officer - Regional Auditor	2		2
Thailand	P4 Regional Security Adviser	1		1
Total		**6**	**0**	**6**
Arab States and Europe				
Armenia	National Programme Officer	1		1
Azerbaijan	National Programme Officer	1		1
Jordan	National Programme Officer - Regional Auditor	1		1
Jordan	P4 Regional Security Adviser	1		1
Sudan	P4 Programme Coordinator	1		1
Total		**5**	**0**	**5**
Latin America and the Caribbean				
Brazil	Operations Manager	1		1
El Salvador	P5 Representative	1		1
Haiti	P4 Deputy Representative	1		1
Uruguay	National Programme Officer	1		1
Total		**4**	**0**	**4**
Grand Total		**51**	**(3)**	**48**

46. In Africa, the net addition of proposed posts is 33 (four international professionals); in Asia, six (two international professionals); in the Arab States and Europe, five (two international professionals) and in Latin America and the Caribbean four (two international professionals).

47. The above table also reflects: (a) the redeployment of one national professional auditor post from Côte d'Ivoire to Senegal; (b) the redeployment of one national programme officer (HIV/AIDS counselling) from South Africa to Zimbabwe. Two such HIV/AIDS counselling posts were approved in 2004-2005 to provide support to UNFPA field staff on HIV/AIDS issues, in accordance with the recommendations of the Secretary-General; (c) the establishment of three P4 regional security advisers in Jordan, South Africa and Thailand, in accordance with the UNFPA security plan approved by the Executive Board in September 2004 (decision 2004/27); and (d) the establishment of three additional national professional auditor posts – two in Thailand and one in Jordan. The latter investment will bring the total number of national professional auditor posts in the field to five. With the addition of a core post in Uruguay, UNFPA now has biennial support budget-funded operations in 111 countries.

48. Vacancy rates. As was the case in the biennial support budget for 2004-2005, this budget proposal assumes vacancy rates of 6 per cent for internationally recruited staff (both at headquarters and in the field); 2 per cent for locally recruited staff at headquarters; and 10 per cent for local staff in the field.

2. Learning and career development

49. The training budget of $2.9 million that is incorporated in this proposal reflects the importance that UNFPA places on staff development and the commitment of UNFPA to fostering a culture of continuous learning. UNFPA is committed to ensuring that staff learning and development are at the core of human resources management. The budget provision for 2006-2007 will strengthen the capacity of staff to implement the strategic direction of the organization, become more effective partners in United Nations programming processes, and enhance managerial and leadership skills. In addition, a team of staff members will be trained in emergency response in order to strengthen UNFPA capacity to respond to emergency situations in developing countries.

50. The training budget will permit UNFPA to respond to the immediate learning needs of staff and to support their development and progression in various career streams, within the context of the competency framework. During the 2006-2007 biennium, the focus will be on the learning and developmental needs of field staff, with priority given to Deputy Representatives and National Programme Officers. As part of the succession planning strategy, UNFPA will train designated staff as future UNFPA Representatives. To accomplish these goals, UNFPA will:

(a) Provide preparatory training and coaching on career development for all categories of field staff;

(b) Redesign and strengthen the courses included in the UNFPA distance learning programme on population issues, which are tutor-led distance-learning programmes covering substantive programme issues;

(c) Continue to offer to staff selected e-learning management courses, such as the *Harvard ManageMentor*;

(d) Support further staff development under the newly introduced sabbatical leave policy, whereby staff are given the opportunity to take time from work to write articles or pursue academic courses; and

(e) Investigate and consider the implementation of a learning management system, which will include all elements of staff learning and career development.

51. Performance Appraisal and Development. In 2003, UNFPA introduced a performance appraisal and development (PAD) system, a key instrument in enabling the organization to achieve its long-term mission and goals. The PAD system holds managers and staff accountable for results and for meeting the performance standards defined in the competency framework. It emphasizes competency development and learning by measuring the achievement of developmental outputs. UNFPA will provide consultancy resources to the MIS Branch, DMS, to further develop the PAD system.

52. Human resources strategy. UNFPA appointed a management consultant at the end of 2002 to advise the Executive Director on the capacity and management of what was then the Office of Human Resources and to recommend a structure that would ensure successful implementation of the human resources strategy. To ensure that the human resources strategy is closely linked to the organizational vision and goals, and the vision translated into appropriate human resources strategies and policies, UNFPA will provide additional consultancy resources to DHR.

3. Information and communications technology strategy and the Enterprise Resource Planning System (Atlas)

53. Information and communications technology (ICT) strategy. UNFPA has replaced its legacy systems – the programme resources management system (PRMS) and the United Nations Integrated Field

Office System (UNIFOS) – with Atlas. Maintenance of these systems is no longer required. However, UNFPA and its partners continue to use the integrated management information system (IMIS) for travel and international staff payroll. UNFPA also continues to develop and use web-based applications. These systems include the PAD, i-Track (the MYFF impact tracking system), DocuShare (the UNFPA repository for electronic documents and publications), knowledge sharing and the UNFPA Intranet. The costs for maintaining and developing these systems are reflected in the increase in the cost of consultants for MIS Branch to $1.0 million.

54. In partnership with UNDP, UNFPA addressed issues related to telecommunications, connectivity, the use of video-conferencing and web-based conferencing and training. The status of connectivity, upon which Atlas is dependent, has improved greatly. It is necessary to maintain a high investment in connectivity because many countries, especially those in sub-Saharan Africa, lack infrastructure and technical expertise. UNFPA also made significant progress in using videoconferencing. As a result of the increased use of telecommunications facilities, the cost of usage has increased. Table 5 provides an overview of the estimated distribution of information technology requirements for 2006-2007.

55. Enterprise Resource Planning (Atlas) project. UNFPA and its partner agencies agreed to implement ERP (Atlas) in stages, as indicated in document DP/FPA/2003/11. On 1 January 2004, UNFPA launched wave I (17 modules) at both headquarters and in the field. ERP (Atlas) partner agencies have targeted additional functionalities for completion in 2007. These include human resource management and payroll of international staff; recruitment; budget planning and control; project support and programme management enhancements; travel and expense; procurement management; data quality management; and information management, including a data warehouse and reporting.

56. UNFPA anticipated that the initial cost of developing ERP (Atlas) for UNFPA would have been $10.0 million; however, it had to later revise the figure to $13.8 million. UNFPA is now on the threshold of implementing additional ERP (Atlas) functionalities. UNFPA anticipates that it will require an additional $8.9 million in the 2006-2007 biennium to develop, implement and deploy these new functions. This will bring the total funds earmarked for ERP (Atlas) to $22.7 million.

57. As UNFPA implements the ERP (Atlas) modules, it must strengthen its ability to support the system; this requires strengthening its information technology staff. This has resulted in an increase in staff costs in information technology to $4.1 million.

Table 5. Estimated distribution of information technology requirements, 2006-2007 a/

(millions of United States dollars)

BSB appropriation	Staff cost b/	Consultants	Communication, audio visual and information technology equipment	Rental and maintenance of information technology equipment	Total
2004-2005	3.3	0.5	5.7	0.7	10.2
2006-2007	4.1	1.0	6.2	1.2	12.6
Variance (%)	26%	112%	8%	65%	23%

a/ Headquarters and country offices
b/ Includes electronic data processing training

B. General

4. Premises

58. During the 2006-2007 biennium, UNFPA expects to consolidate its New York premises by relinquishing its floor at 820 Second Avenue by the end of 2006. At the same time, it will occupy for the entire biennium an additional floor in the Daily News Building. The partial overlap between rental of the new floor and the one UNFPA expects to relinquish will ensure that space is available during the renovation of the new floor in the Daily News Building. This strategy results in increases in volume for premises and premise alterations at headquarters of $0.8 million and $0.5 million, respectively.

59. Rental costs of premises represent an ever-increasing burden for the organization. At headquarters, the increase will be offset by project staff recovery, which is expected to reduce the impact on the biennial support budget by $5.7 million. In the field, the projected increase is $1.1 million for rental and renovation. This is due to the additional space required for new local and international professional staff as well as for relocation to safer premises.

5. Reimbursement to other United Nations agencies and contributions for joint activities

60. Table 2 highlighted reimbursement to other United Nations agencies and contributions for joint activities as a major area of cost increase, particularly at headquarters. Service-level agreements were approved at headquarters with UNDP, along with a series of key performance indicators. These agreements are expected to result in more cost-effective delivery of quality services. Adjustments are envisaged both in volume ($0.5 million) and cost ($3.6 million). Details are provided in the following table:

Reimbursement and contributions to agencies at headquarters (millions of United States dollars)	**2004-2005 BSB**	**Volume adjustments**	**Cost adjustments**	**2006-2007 BSB**
Reimbursements				
United Nations 1/	2.6		0.4	3.0
UNDP 2/	5.3		2.1	7.4
UNOPS	0.1		0.3	0.4
Digital Archiving Project		0.5		0.5
Support to FICSA		0.2		0.2
Other items	0.0	(0.1)	0.2	0.1
Contributions				
United Nations Jointly Financed Bodies	0.9	(0.0)	0.6	1.4
Total Contributions and Reimbursements 3/	**8.9**	**0.5**	**3.6**	**13.0**

1/ Includes United Nations services, Office of Internal Oversight Services and External Audit

2/ Increase includes cost increase of $2.5 million for production costs of ERP (Atlas); and a decrease of $0.4 million in the cost of other services

3/ Figures in the table are rounded to the closest decimal.

61. UNFPA country offices are projecting increases of nearly $0.4 million in cost in the area of reimbursement to other United Nations agencies and contributions for joint activities, compared to the

2004-2005 biennial support budget. In 2003, UNFPA signed a memorandum of understanding with UNDP and updated it in 2004, in light of the introduction of ERP (Atlas). It is hoped that efficiency gains in UNDP as well as the ability of UNFPA staff to undertake directly a number of business processes will lower costs in the future.

6. Security

62. This biennial support budget proposal also includes the resources required for increased costs pertaining to insurance and security. Section XI of General Assembly resolution A/RES/59/276, adopted on 23 December 2004, outlined several decisions that were made with regard to a strengthened and unified security management system for the United Nations. The major highlights of this reform are the establishment the United Nations Department of Safety and Security (UNDSS) and the creation of the posts proposed by the Secretary-General in field locations.

63. In addition to the reform by the Secretary-General, the minimum operating security standards (MOSS) and the minimum operating residential security standards (MORSS) apply and have financial implications for duty stations where a security phase is imposed and a mandatory upgrade of security requirements is needed.

64. With respect to insurance, in addition to the natural cost increase of malicious act insurance policy (MAIP) coverage, the following elements should be taken into account: (a) underwriters have advised that malicious act insurance policy coverage is limited to $50 million for one event; therefore, organizations must be prepared to meet this shortfall; and (b) there are limitations in the geographical extent of coverage. The results of the security framework are summarized below:

Comparison of security budget: BSB 2004-2005 vs. BSB 2006-2007				
	2004-2005	**2006-2007**	**Increase/ Decrease**	**Increase/ Decrease**
	US$ million	**US$ million**	**US$ million**	**%**
Non-post elements				
UNDSS (UNSECOORD)	1.5	**3.2***	-1.0	-66%
MAIP		0.5		
MOSS/MORSS, country offices	1.6	4.0	2.4	150%
Global access control system, headquarters	0.0	**1.5***	NA	NA
**Subtotal non posts for BSB ** **	**3.1**	**4.0**	**0.9**	**29%**
Post elements				
Posts	0.3	1.3	1.0	333%
Subtotal, BSB posts	**0.3**	**1.3**	**1.0**	**333%**
Grand total	**3.4**	**5.3**	**1.9**	**33%**
Security reserve * **	**6.8**			

* Charges shown under table 1,"Use of resources", item D

** In 2006-2007, total of $4.0 million includes project recovery of $0.55 million credited to BSB.

*** In September 2004, the Executive Board approved, in decision 2004/27, a security reserve totalling $6.8 million to address additional security requirements of the organization.

C. Programme support

65. Programme support is the largest component of the UNFPA biennial support budget. It includes two appropriation lines – programme support at headquarters and programme support at country offices – which together account for 68.5 per cent of the total proposed budget (gross).

66. Table V estimates the regional distribution of programme and programme-support funds for 2006-2007. Africa receives the largest share of regular funds, accounting for 33.9 per cent of regular resources or $252.9 million. The breakdown for the other regions is as follows: Asia and the Pacific: 24.9 per cent or $185.4 million; Arab States and Europe: 12.0 per cent or $89.8 million; and Latin America and the Caribbean: 9.2 per cent or $68.3 million. Table V also indicates that similar shares by region are planned for total resources, with the exception of Latin America and the Caribbean, where considerable gains in other resources are projected.

1. Country offices

67. The proposed appropriation for country offices, in the amount of $106.4 million (gross), shows an increase of $19.8 million, or 22.9 per cent, compared to $86.6 million in the 2004-2005 biennial support budget. As indicated in table I, this increase is due both to volume (33.6 per cent of the increase) and cost (66.4 per cent). Table I provides a breakdown of the estimates by region. All regions show positive adjustments both in volume and cost. Increases in cost are attributed to the weaker United States dollar. With respect to volume, table I includes the addition of 33 field posts in Africa.

68. In table II, the revised estimates are broken down by object of expenditure and appropriation line. Table II confirms that the largest component of the budget proposal for 2006-2007 is for country office staff. The proposed appropriation of $81.1 million for posts represents 76.2 per cent of the total proposed gross appropriation for country offices. The large volume adjustment of $6.9 million is due primarily to new posts, but is also a result of increases in resources for learning and training. Cost increases related to field staff are estimated at $9.5 million.

69. The estimated provision of $2.3 million for official country office travel is $0.7 million or 43.2 per cent higher than the estimate provided in the biennial support budget for 2004-2005. This is the result of cost increases as well as volume increases, the latter attributable to the addition of regional posts for audits (three new local professional posts) and security (three new international professional posts).

70. The increase of $0.8 million in the provision for furniture and equipment is attributed largely to the addition of new field staff. With respect to reductions, table II shows that country offices envisage a reduction in temporary assistance and overtime, correlated with the addition of new core posts.

2. Headquarters

71. Programme support at headquarters includes the costs of the four geographical divisions, the Technical Support Division, the Strategic Planning Office and the Humanitarian Response Unit.

72. Table I indicates that 62.4 per cent of the $7.5 million increase in appropriations between 2004-2005 and 2006-2007 under programme support (headquarters) is due to cost. However, table I also indicates the gain in volume in the Strategic Planning Office ($1.9 million) attributable to the addition of four professional posts – two deployed from IERD and two new.

73. Table II indicates the apportioned increases for corporate costs, such as reimbursements and security, as well as the increased use of consultants (volume increase of $0.2 million). A slight reduction is envisaged in the utilization of overtime. The planned expansion and renovation of premises are broadly responsible for the volume increase of $0.8 million under operating expenses. Under the same expenditure category, the policy for headquarters rent recovery results in a reduction of $1.1 million in cost.

D. Management and administration of the organization

74. The management and administration of the organization includes the following divisions and offices: DHR, DMS, DOS, IERD and OED.

75. Table I shows increases in volume of $6.7 million, which is 55.4 per cent of the total increase in appropriations of $12.1 million between 2004-2005 and 2006-2007. This differing performance with respect to volume vis-à-vis programme support (headquarters) is largely due to posts. Nine out of the total net 11 posts added in the 2006-2007 biennium will be established in divisions that fall under management and administration of the organization. This increase is offset partly by the deployment of two posts from IERD to SPO, which falls under programme support (headquarters). Table I also shows a decrease in cost for DHR, as a result of learning and training cost recovery from project staff.

76. Table II shows the apportioned increases for corporate charges such as reimbursements and security, and highlights the increased use of consultants in DHR, DMS and DOS (volume increase of $0.8 million). As is the case for programme support (headquarters), UNFPA envisages a reduction in the utilization of overtime and temporary assistance. With respect to premises, the envisaged expansion and associated renovation of premises explain the volume increase under operating expense. The negative adjustment in cost for the same item is due to the policy of headquarters rent recovery from project staff. Adjustments for premises are higher than under programme support (headquarters), because corporate costs are apportioned based on post count. Nine out of the net addition of 11 new posts proposed in 2006-2007 at headquarters are for the management and administration of the organization.

III. DRAFT APPROPRIATIONS DECISION

77. **In light of the above, the Executive Director, UNFPA, recommends that the Executive Board adopt the following decision:**

The Executive Board

Having considered **the 2006-2007 biennial support budget estimates of the United Nations Population Fund, as contained in document DP/FPA/2005/13,**

(a) ***Approves*** **gross appropriations in the amount of $209.0 million for the purposes indicated below and resolves that the income estimates of $12.6 million shall be used to offset the gross appropriations, resulting in estimated net appropriations of $196.4 million;**

2006-2007 UNFPA biennial support budget *(thousands of United States dollars)*	
Programme support	
Country offices	106,408.7
Headquarters	36,684.1
Subtotal	143,092.8
Management and administration of the organization	65,939.8
Total gross appropriations	209,032.6
Less: Estimated income to the budget	(12,600.0)
Estimated net appropriations	196,432.6

(b) ***Authorizes*** **the Executive Director to redeploy resources between appropriation lines up to a maximum of 5 per cent of the appropriation to which the resources are redeployed;**

(c) ***Authorizes*** **extrabudgetary expenditures of $8.9 million to implement the Enterprise Resource Planning (Atlas) project;**

(d) ***Authorizes*** **additional funding expenditures of $4.7 million to replenish the security reserve.**

Table I. Budget estimates by organizational unit within appropriation line, 2006-2007

(thousands of United States dollars)

Appropriation line/ Organizational unit	2004-2005 estimates	Changes Volume Amount	Volume %	Cost	2006-2007 estimates	Increase/Decrease US $000	Increase/Decrease %
A. Programme support							
1. Country Offices							
Africa	37,944.9	4,441.2	11.7%	6,662.4	49,048.6	11,103.7	29.3%
Arab States and Europe	15,523.1	591.2	3.8%	1,932.2	18,046.5	2,523.4	16.3%
Asia and the Pacific	18,366.8	1,112.0	6.1%	2,101.0	21,579.8	3,213.0	17.5%
Latin America and the Caribbean	14,742.4	522.2	3.5%	2,469.2	17,733.8	2,991.4	20.3%
Subtotal	86,577.1	6,666.6	7.7%	13,164.9	106,408.7	19,831.5	22.9%
2. Headquarters							
Africa Division	4,513.4	115.5	2.6%	635.0	5,263.9	750.4	16.6%
Division for Arab States and Europe	3,460.9	84.0	2.4%	482.2	4,027.0	566.2	16.4%
Asia and the Pacific Division	3,460.8	84.0	2.4%	482.2	4,027.0	566.2	16.4%
Latin America and the Caribbean Division	3,454.3	95.1	2.8%	481.8	4,031.2	576.9	16.7%
Technical Support Division	10,962.7	455.4	4.2%	1,629.2	13,047.3	2,084.6	19.0%
Strategic Planning Office	2,241.3	1,897.7	84.7%	814.7	4,953.8	2,712.4	121.0%
Humanitarian Response Unit	1,087.6	91.3	8.4%	155.1	1,333.9	246.4	22.7%
Subtotal	29,181.0	2,822.8	9.7%	4,680.3	36,684.1	7,503.1	25.7%
Total programme support	115,757.9	9,489.5	8.2%	17,845.2	143,092.6	27,334.6	23.6%
B. Management and admin. of organization							
Office of the Executive Director	5,646.1	936.7	16.6%	1,204.5	7,787.3	2,141.2	37.9%
Division for Oversight Services	6,885.9	679.1	9.9%	756.6	8,321.5	1,435.6	20.8%
Information, Executive Board and Resource Mobilization Division	13,031.3	1,127.5	8.7%	1,802.1	15,960.9	2,929.6	22.5%
Division for Management Services	19,479.8	2,507.4	12.9%	2,437.1	24,424.3	4,944.5	25.4%
Division for Human Resources a/	8,759.4	1,485.1	17.0%	(798.7)	9,445.8	686.4	7.8%
Total management and admin. of organizatior	53,802.6	6,735.7	12.5%	5,401.5	65,939.9	12,137.2	22.6%
TOTAL GROSS BUDGET ESTIMATES	169,560.6	16,225.2	9.6%	23,246.7	209,032.6	39,471.9	23.3%
Estimated income credit b/	(14,600.0)	2,000.0			(12,600.0)	2,000.0	-13.7%
TOTAL NET BUDGET ESTIMATES	154,960.6	18,225.2	11.8%	23,246.7	196,432.5	41,471.9	26.8%

a/ Adjustment in cost for DHR largely due to projected recovery from project staff.

b/ The estimated income includes: income from support to other resources (i.e., multi-bilateral resources) relating to programmes; income from support and procurement services provided to government-executed projects; as appropriate, the estimated balance of income from procurement services to third parties, after deduction of direct costs, and the income tax reimbursed to staff members, nationals of certain states.

Table II. Budget estimates by expenditure category and appropriation line, 2006-2007

(Thousands of United States dollars)

Appropriation line/ Expenditure category a/	2004-2005 estimates	Changes: Volume Amount	Changes: Volume %	Changes: Cost	2006-2007 estimates	Increase/Decrease US $000	Increase/Decrease %
A. Programme support							
1. Country offices							
Posts b/	64,754.1	6,867.7	10.6%	9,526.2	81,148.0	16,393.9	25.3%
Other staff costs	573.2	(215.0)	-37.5%	24.9	383.1	(190.1)	-33.2%
Consultants	0.0	148.2	0.0%	0.0	148.2	148.2	NA
Travel	1,631.9	433.8	26.6%	271.1	2,336.8	704.9	43.2%
Operating expenses	14,524.3	(1,030.8)	-7.1%	2,787.1	16,280.5	1,756.2	12.1%
Furniture and equipment	2,348.2	513.3	21.9%	266.8	3,128.3	780.1	33.2%
Insurance and Security	2,745.4	(50.6)	-1.8%	288.9	2,983.7	238.3	8.7%
Total programme support country offices	86,577.1	6,666.6	7.7%	13,164.9	106,408.7	19,831.5	22.9%
2. Headquarters							
Posts b/	21,246.1	1,732.9	8.2%	3,966.1	26,945.1	5,699.0	26.8%
Other staff costs	60.0	(53.0)	-88.3%	3.7	10.7	(49.3)	-82.2%
Consultants	97.0	187.3	193.1%	5.9	290.2	193.2	199.2%
Travel	263.0	7.0	2.7%	16.0	286.0	23.0	8.7%
Operating expenses	4,086.0	759.5	18.6%	(1,111.2)	3,734.3	(351.6)	-8.6%
Furniture and equipment	213.4	71.1	33.3%	13.0	297.5	84.1	39.4%
Reimbursements	3,202.5	118.0	3.7%	1,437.4	4,757.9	1,555.4	48.6%
Insurance and Security	12.9	0.0	0.0%	349.5	362.4	349.5	NA
Total programme support headquarters	29,181.0	2,822.8	9.7%	4,680.3	36,684.1	7,503.1	25.7%
B. Management and admin. of organization							
Posts b/	35,752.7	3,220.6	9.0%	4,763.6	43,736.9	7,984.2	22.3%
Other staff costs	440.0	(377.7)	-85.8%	26.8	89.1	(350.9)	-79.7%
Consultants	1,234.0	813.2	65.9%	75.2	2,122.3	888.3	72.0%
Travel	1,374.0	147.3	10.7%	83.7	1,605.0	231.0	16.8%
Operating expenses	8,540.0	2,442.9	28.6%	(1,991.2)	8,991.7	451.8	5.3%
Furniture and equipment	377.4	113.8	30.1%	23.0	514.2	136.8	36.2%
Reimbursements	5,710.0	375.6	6.6%	2,159.7	8,245.3	2,535.3	44.4%
Insurance and Security	374.5	0.0	0.0%	260.7	635.2	260.7	69.6%
Total management and admin. of organization	53,802.6	6,735.7	12.5%	5,401.5	65,939.8	12,137.2	22.6%
TOTAL							
Posts b/	121,752.9	11,821.2	9.7%	18,255.8	151,830.0	30,077.1	24.7%
Other staff costs	1,073.2	(645.6)	-60.2%	55.3	482.9	(590.3)	-55.0%
Consultants	1,331.0	1,148.6	86.3%	81.1	2,560.7	1,229.7	92.4%
Travel	3,268.9	588.1	18.0%	370.8	4,227.8	958.9	29.3%
Operating expenses	27,150.2	2,171.6	8.0%	(315.3)	29,006.6	1,856.4	6.8%
Furniture and equipment	2,939.1	698.2	23.8%	302.7	3,940.0	1,000.9	34.1%
Reimbursements	8,912.5	493.6	5.5%	3,597.1	13,003.2	4,090.7	45.9%
Insurance and Security	3,132.8	(50.6)	-1.6%	899.1	3,981.3	848.5	27.1%
TOTAL GROSS BUDGET ESTIMATES	169,560.6	16,225.2	9.6%	23,246.7	209,032.6	39,472.0	23.3%
Estimated income credit	(14,600.0)	2,000.0	-13.7%		(12,600.0)	2,000.0	-13.7%
TOTAL NET BUDGET ESTIMATES	154,960.6	18,225.2	11.8%	23,246.7	196,432.5	41,471.9	26.8%

a/ Appropriations for 2004-2005 reclassified to ATLAS account code grouping.
b/ Includes costs for posts (local and international), training and EDP training.

Table III. Proposed net changes in regular resources post requirements 2006-2007

Organizational Unit	2004-2005	International professional category & above								GS and Nat. Prof	GS and Other Categ.	Grand Total	2006-2007
		USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total				
2004-2005 APPROVED POSTS		3	9	37	94	63	7	1	214	225	533	972	
I. POST INCREASES/DECREASES													
A. Programme support													
1. Country offices Total (net) -	748	0	0	0	3	7	0	0	10	38	0	48	796
2. Headquarters													
AD	13								0			0	13
DASE	10								0			0	10
APD	10								0			0	10
LACD	10								0			0	10
HRU	3								0			0	3
SPO	6			1	2		1		4			4	10
TSD	30								0			0	30
Total (net) - A.2	82	0	0	1	2	0	1	0	4	0	0	4	86
Total (net) - A	830	0	0	1	5	7	1	0	14	38	0	52	882
B. Management and admin. of organ.													
OED	13					1		1	2		1	3	16
DOS	16				1				1			1	17
DMS	61					1	2		3			3	64
IERD	32			(1)	(1)	2			0			0	32
DHR	20								0			0	20
Total (net) - B	142	0	0	(1)	0	4	2	1	6	0	1	7	149
Total: Post increases/decreases	972	0	0	0	5	11	3	1	20	38	1	59	1,031
II. POST RECLASSIFICATIONS												0	
A. Programme support									0			0	
Headquarters				3	(3)				0			0	
Country offices									0			0	
Total (net)		0	0	3	(3)	0	0	0	0	0	0	0	
B. Management and admin. of organ.												0	
OED				1	0	(1)			0			0	
DOS									0			0	
DMS					2	0	(2)		0			0	
IERD					3	(3)			0			0	
DHR									0			0	
Total (net) - B		0	0	1	5	(4)	(2)	0	0	0	0	0	
Total: Post classification (net)		0	0	4	2	(4)	(2)	0	0	0	0	0	
Total Changes (net)		0	0	4	7	7	1	1	20	38	1	59	
2006-2007 PROPOSED POSTS		3	9	41	101	70	8	2	234	263	534	1,031	

Table IV. Estimated distribution of posts by source of funds and organizational unit

Source of funds/ Organizational unit	International professional category and above									GS and	
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.	Other Categ.	Grand Total
A. Programme support											
1. Country offices											
2004-2005 Regular resources			18	59	22	0	0	99	225	424	748
Total - A1	**0**	**0**	**18**	**59**	**22**	**0**	**0**	99	**225**	**424**	748
2006-2007 Regular resources			18	62	29	0	0	109	263	424	796
Total - A1	**0**	**0**	**18**	**62**	**29**	**0**	**0**	109	**263**	**424**	796
2. Headquarters											
Africa Division											
2004-2005 Regular resources		1	1	2	3	0	0	7		6	13
Total	**0**	**1**	**1**	**2**	**3**	**0**	**0**	7	**0**	**6**	13
2006-2007 Regular resources		1	1	2	3	0	0	7		6	13
Total	**0**	**1**	**1**	**2**	**3**	**0**	**0**	7	**0**	**6**	13
Division for Arab States and Europe											
2004-2005 Regular resources		1	1	1	2	0	0	5		5	10
Total	**0**	**1**	**1**	**1**	**2**	**0**	**0**	5	**0**	**5**	10
2006-2007 Regular resources		1	1	1	2	0	0	5		5	10
Total	**0**	**1**	**1**	**1**	**2**	**0**	**0**	5	**0**	**5**	10
Asia and the Pacific Division											
2004-2005 Regular resources		1	1	1	2	0	0	5		5	10
Total	**0**	**1**	**1**	**1**	**2**	**0**	**0**	5	**0**	**5**	10
2006-2007 Regular resources		1	1	1	2	0	0	5		5	10
Total	**0**	**1**	**1**	**1**	**2**	**0**	**0**	5	**0**	**5**	10
Latin America and the Caribbean Division											
2004-2005 Regular resources		1	1	1	2	0	0	5		5	10
Total	**0**	**1**	**1**	**1**	**2**	**0**	**0**	5	**0**	**5**	10
2006-2007 Regular resources		1	1	1	2	0	0	5		5	10
Total	**0**	**1**	**1**	**1**	**2**	**0**	**0**	5	**0**	**5**	10
Technical Support Division											
2004-2005 Regular resources		1	4	10	2	1	0	18		12	30
Total	**0**	**1**	**4**	**10**	**2**	**1**	**0**	18	**0**	**12**	30
2006-2007 Regular resources		1	7	7	2	1	0	18		12	30
Total	**0**	**1**	**7**	**7**	**2**	**1**	**0**	18	**0**	**12**	30
Humanitarian Response Unit											
2004-2005 Regular resources		0	0	1	1	0	0	2		1	3
Total	**0**	**0**	**0**	**1**	**1**	**0**	**0**	2	**0**	**1**	3
2006-2007 Regular resources		0	1	0	1	0	0	2		1	3
Total	**0**	**0**	**1**	**0**	**1**	**0**	**0**	2	**0**	**1**	3
Strategic Planning Office											
2004-2005 Regular resources		0	1	1	2	0	0	4		2	6
Total	**0**	**0**	**1**	**1**	**2**	**0**	**0**	4	**0**	**2**	6
2006-2007 Regular resources		0	1	4	2	1	0	8		2	10
Total	**0**	**0**	**1**	**4**	**2**	**1**	**0**	8	**0**	**2**	10
Total: A2 Programme support HQ											
2004-2005 Regular resources	0	5	9	17	14	1	0	46	0	36	82
Total - A2	**0**	**5**	**9**	**17**	**14**	**1**	**0**	46	**0**	**36**	82
2006-2007 Regular resources	0	5	13	16	14	2	0	50	0	36	86
Total - A2	**0**	**5**	**13**	**16**	**14**	**2**	**0**	50	**0**	**36**	86
Total: A. Programme support											
2004-2005 Regular resources	0	5	27	76	36	1	0	145	225	460	830
Total - A	**0**	**5**	**27**	**76**	**36**	**1**	**0**	145	**225**	**460**	830
2006-2007 Regular resources	0	5	31	78	43	2	0	159	263	460	882
Total - A	**0**	**5**	**31**	**78**	**43**	**2**	**0**	159	**263**	**460**	882

Table IV. Estimated distribution of posts by source of funds and organizational unit (cont'd)

Source of funds/ Organizational unit	International professional category and above									GS and	
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.	Other Categ.	Grand Total
B. Management and admin. of org											
Office of the Executive Director											
2004-2005 Regular resources	3	0	0	2	2	0	0	7	0	6	13
Total	**3**	**0**	**0**	**2**	**2**	**0**	**0**	7	**0**	**6**	13
2006-2007 Regular resources	3	0	1	2	2	0	1	9	0	7	16
Total	**3**	**0**	**1**	**2**	**2**	**0**	**1**	9	**0**	**7**	16
Division for Oversight Services											
2004-2005 Regular resources		1	1	4	5	0	0	11		5	16
Total	**0**	**1**	**1**	**4**	**5**	**0**	**0**	11	**0**	**5**	16
2006-2007 Regular resources		1	1	5	5	0	0	12		5	17
Total	**0**	**1**	**1**	**5**	**5**	**0**	**0**	12	**0**	**5**	17
Division for Management Services											
2004-2005 Regular resources		1	3	4	7	6	1	22		39	61
Other res. rel. to reimb.		0	0	0	1	3	0	4		4	8
Total	**0**	**1**	**3**	**4**	**8**	**9**	**1**	26	**0**	**43**	69
2006-2007 Regular resources		1	3	6	8	6	1	25		39	64
Other res. rel. to reimb.		0	0	0	1	3	0	4		4	8
Total	**0**	**1**	**3**	**6**	**9**	**9**	**1**	29	**0**	**43**	72
Information, Executive Board and Resource Development Division											
2004-2005 Regular resources		1	5	5	8	0	0	19		13	32
Total	**0**	**1**	**5**	**5**	**8**	**0**	**0**	19	**0**	**13**	32
2006-2007 Regular resources		1	4	7	7	0	0	19		13	32
Total	**0**	**1**	**4**	**7**	**7**	**0**	**0**	19	**0**	**13**	32
Division for Human Resources											
2004-2005 Regular resources		1	1	3	5	0	0	10		10	20
Total	**0**	**1**	**1**	**3**	**5**	**0**	**0**	10	**0**	**10**	20
2006-2007 Regular resources		1	1	3	5	0	0	10		10	20
Total	**0**	**1**	**1**	**3**	**5**	**0**	**0**	10	**0**	**10**	20
Total B. Man. and admin. of org.											
2004-2005 Regular resources	3	4	10	18	27	6	1	69	0	73	142
Other res. rel. to reimb.	0	0	0	0	1	3	0	4	0	4	8
Total - B	**3**	**4**	**10**	**18**	**28**	**9**	**1**	73	**0**	**77**	150
2006-2007 Regular resources	3	4	10	23	27	6	2	75	0	74	149
Other res. rel. to reimb.	0	0	0	0	1	3	0	4	0	4	8
Total - B	**3**	**4**	**10**	**23**	**28**	**9**	**2**	79	**0**	**78**	157
Grand Total											
2004-2005 Regular resources	3	9	37	94	63	7	1	214	225	533	972
Other res. rel. to reimb.	0	0	0	0	1	3	0	4	0	4	8
GRAND TOTAL	**3**	**9**	**37**	**94**	**64**	**10**	**1**	**218**	**225**	**537**	**980**
2006-2007 Regular resources	3	9	41	101	70	8	2	**234**	263	534	1,031
Other res. rel. to reimb.	0	0	0	0	1	3	0	4	0	4	8
GRAND TOTAL	**3**	**9**	**41**	**101**	**71**	**11**	**2**	**238**	**263**	**538**	**1,039**

Table V. Use of resources: Estimated regional distribution of programmes and programme support funds

(thousands of United States dollars)

	2004-2005						2006-2007					
	Regular resources Amount	%	Other resources Amount	%	Total resources Amount	%	Regular resources Amount	%	Other resources Amount	%	Total resources Amount	%
AFRICA												
A. Programmes	138,948.6		54,513.5		193,462.1		201,851.0		57,179.5		259,030.5	
B. Programme support												
Country offices	34,677.7				34,677.7		46,092.1				46,092.1	
Africa Division	4,124.8				4,124.8		4,946.6				4,946.6	
Subtotal - Prog. support	38,802.5				38,802.5		51,038.6				51,038.6	
Total Africa	177,751.1	30.4%	54,513.5	32.7%	232,264.6	30.9%	252,889.6	33.9%	57,179.5	30.1%	310,069.1	33.1%
ARAB STATES AND EUROPE												
A. Programmes	54,169.1		21,252.1		75,421.2		69,037.8		21,283.7		90,321.5	
B. Programme support												
Country offices	14,186.4				14,186.4		16,958.7				16,958.7	
Div. for Arab States and Europe	3,162.9				3,162.9		3,784.3				3,784.3	
Subtotal - Prog. support	17,349.3				17,349.3		20,743.0				20,743.0	
Total Arab States and Europe	71,518.4	12.2%	21,252.1	12.7%	92,770.5	12.4%	89,780.8	12.0%	21,283.7	11.2%	111,064.4	11.9%
ASIA AND THE PACIFIC												
A. Programmes	129,653.3		50,866.7		180,520.0		161,322.5		39,357.4		200,679.9	
B. Programme support												
Country offices	16,785.3				16,785.3		20,279.0				20,279.0	
Asia and the Pacific Division	3,162.8				3,162.8		3,784.3				3,784.3	
Subtotal - Prog. support	19,948.1				19,948.1		24,063.2				24,063.2	
Total Asia and the Pacific	149,601.4	25.6%	50,866.7	30.5%	200,468.1	26.7%	185,385.8	24.9%	39,357.4	20.7%	224,743.2	24.0%
LATIN AMERICA AND THE CARIBBEAN												
A. Programmes	38,142.8		14,964.5		53,107.2		47,827.9		54,862.8		102,690.8	
B. Programme support												
Country offices	13,473.0				13,473.0		16,664.9				16,664.9	
Latin America and the Carib. Div.	3,156.9				3,156.9		3,788.2				3,788.2	
Subtotal - Prog. support	16,629.9				16,629.9		20,453.1				20,453.1	
Total Latin America and the Caribbean Division	54,772.6	9.4%	14,964.5	9.0%	69,737.1	9.3%	68,281.0	9.2%	54,862.8	28.9%	123,143.9	13.2%
INTERCOUNTRY a_/												
A. Programmes	39,745.4		15,593.2		55,338.6		48,138.1		17,316.6		65,454.7	
B. Programme support												
Technical Support Div.	10,018.8				10,018.8		12,260.8				12,260.8	
SPO, HRU	3,042.2				3,042.2		5,908.7				5,908.7	
Subtotal - Prog. support	13,061.0				68,399.7		18,169.5				83,624.2	
Total Intercountry	52,806.4	9.0%	15,593.2	9.3%	68,399.7	9.1%	66,307.6	8.9%	17,316.6	9.1%	83,624.2	8.9%
TOTAL UNFPA												
A. Programmes	**400,659.2**		**157,190.0**		**557,849.2**		**528,177.4**		**190,000.0**		**718,177.4**	
B. Programme support												
Country offices	**79,122.4**		**0.0**		**79,122.4**		**99,994.6**		**0.0**		**99,994.6**	
Headquarters	**26,668.4**		**0.0**		**26,668.4**		**34,472.9**		**0.0**		**34,472.9**	
Subtotal - UNFPA Prog.sup	105,790.8		0.0		105,790.8		134,467.4		0.0		134,467.4	
Subtotal - UNFPA Prog. and prog. sup	510,200.0	87.4%	157,190.0	94.2%	667,390.0	88.9%	662,644.8	88.9%	190,000.0	100.0%	852,644.8	91.1%
TAF	24,490.0	4.2%	9,750.0	5.8%	34,240.0	4.6%	7,600.0	1.0%	0.0	0.0%	7,600.0	0.8%
Total Programmes and prog.support	534,690.0	91.6%	166,940.0	100.0%	701,630.0	93.5%	670,244.8	89.9%	190,000.0	100.0%	860,244.8	91.9%
C. Management and admin. of org	**49,170.0**	**8.4%**	**0.0**	**0.0%**	**49,170.0**	**6.5%**	**61,965.2**	**8.3%**	**0.0**	**0.0%**	**61,965.2**	**6.6%**
D. ONE TIME REQUIREMENTS												
ERF project	**3,750.0**				**3,750.0**		**8,850.0**				**8,850.0**	
Security							**4,700.0**				**4,700.0**	
Total	3,750.0	0.6%	0.0	0.0	**3,750.0**	0.5%	13,550.0	1.8%	0.0	0.0%	13,550.0	1.4%
TOTAL - UNFPA	583,860.0	100.0%	166,940.0	100.0%	750,800.0	100.0%	745,760.0	100.0%	190,000.0	100.0%	935,760.0	100.0%

a_/ Under 2006-07, the breakdown of programme resources between country and intercountry is based on the provisional MYFF for 2004-2007. Intercountry includes only interregional funds. Regional funds are included in their respective regions.

TABLE VI

USE OF RESOURCES: ESTIMATED DISTRIBUTION OF PROGRAMMES AND PROGRAMME SUPPORT BY REGION AND BY COUNTRY
(Thousands of United States Dollars)

Country	RESOURCES (2006-2007) a_/					P O S T S (2006-2007)			
	PROGRAMME				TOTAL	BSB Posts			
	Regular Resources	Other Resources	Total Resources	BSB (Gross)	Programme & BSB	IP	NP	GS/Oth.	Total Support
I. AFRICA									
Angola	5,847.3	253.5	6,100.8	1,664.9	7,765.7	1	5	5	11
Benin	3,373.4	942.3	4,315.8	1,170.0	5,485.7	1	4	5	10
Botswana	1,012.0	1,270.0	2,282.1	896.9	3,179.0	1	1	4	6
Burkina Faso	6,746.9	2,077.1	8,824.0	1,089.2	9,913.3	1	4	5	10
Burundi	3,823.2	1,439.5	5,262.7	911.2	6,173.8	1	2	5	8
Cameroon	5,622.4	0.0	5,622.4	1,258.0	6,880.4	1	4	5	10
Cape Verde	1,686.7	157.5	1,844.2	365.5	2,209.7	0	1	3	4
Central African Republic	2,698.8	475.5	3,174.2	1,320.5	4,494.7	1	4	4	9
Chad	4,048.1	178.3	4,226.4	1,097.6	5,324.0	1	4	5	10
Comoros	1,124.5	207.2	1,331.7	296.6	1,628.3	0	1	2	3
Congo, Republic of the	11,244.8	0.0	11,244.8	1,212.0	12,456.8	1	4	5	10
Congo, Democratic Republic of	1,799.2	0.0	1,799.2	1,717.5	3,516.7	2	5	5	12
Côte d'Ivoire	5,847.3	995.0	6,842.3	1,254.7	8,097.0	1	3	5	9
Equatorial Guinea	1,124.5	897.9	2,022.4	582.5	2,604.9	0	3	2	5
Eritrea	2,361.4	1,996.3	4,357.8	654.1	5,011.8	1	3	5	9
Ethiopia	10,232.8	3,821.1	14,053.9	1,338.4	15,392.3	2	4	5	11
Gabon	899.6	0.0	899.6	628.4	1,528.0	0	2	2	4
Gambia	1,799.2	0.0	1,799.2	203.6	2,002.8	0	1	2	3
Ghana	6,746.9	4,534.1	11,281.0	1,238.4	12,519.3	2	3	5	10
Guinea	3,598.3	0.0	3,598.3	695.1	4,293.5	1	3	5	9
Guinea-Bissau	1,799.2	1,589.1	3,388.3	1,007.7	4,395.9	1	2	4	7
Kenya	6,971.8	0.0	6,971.8	1,530.6	8,502.3	2	4	5	11
Lesotho	1,349.4	139.4	1,488.8	648.6	2,137.4	1	1	2	4
Liberia	2,473.9	0.0	2,473.9	947.3	3,421.2	1	3	5	9
Madagascar	6,522.0	33.6	6,555.6	914.8	7,470.4	2	3	5	10
Malawi	5,622.4	4,757.8	10,380.2	1,173.5	11,553.7	1	4	5	10
Mali	6,072.2	429.8	6,502.0	1,048.9	7,550.9	1	4	6	11
Mauritania	2,024.1	1,625.3	3,649.4	794.4	4,443.8	1	3	5	9
Mauritius	157.4	0.0	157.4	-	157.4	0	0	0	0
Mozambique	6,746.9	7,167.4	13,914.3	1,517.7	15,432.0	2	4	5	11
Namibia	1,799.2	501.2	2,300.4	970.1	3,270.5	1	3	2	6
Niger	6,072.2	2,156.4	8,228.6	1,021.4	9,250.0	1	4	5	10
Nigeria	14,168.5	1,766.8	15,935.3	1,862.4	17,797.7	2	6	5	13
Rwanda	4,497.9	3,084.7	7,582.6	864.9	8,447.5	1	4	4	9
Sao Tome and Principe	674.7	0.0	674.7	275.3	950.0	0	1	2	3
Senegal	4,497.9	494.6	4,992.5	1,882.7	6,875.2	2	6	5	13
Seychelles	90.0	0.0	90.0	-	90.0	0	0	0	0
Sierra Leone	3,148.6	0.0	3,148.6	804.9	3,953.4	1	4	5	10
South Africa	4,273.0	228.5	4,501.5	1,542.2	6,043.7	1	5	5	11
Swaziland	1,124.5	172.8	1,297.2	781.3	2,078.5	1	2	2	5
Togo	2,923.7	0.0	2,923.7	1,187.8	4,111.5	1	3	5	9
Uganda	8,771.0	3,746.7	12,517.7	1,299.3	13,817.0	2	3	5	10
United Republic of Tanzania	6,971.8	6,688.5	13,660.3	1,564.6	15,224.9	2	4	5	11
Zambia	5,622.4	0.0	5,622.4	937.4	6,559.8	1	3	5	9
Zimbabwe	6,522.0	0.0	6,522.0	1,215.7	7,737.7	1	5	5	11
Regional Africa	9,317.0	3,351.6	12,668.6	3,660.3	16,328.9	1	0	0	1
Subtotal, Africa	**201,851.0**	**57,179.5**	**259,030.5**	**49,848.6**	**308,879.1**	**48**	**142**	**186**	**376**

TABLE VI (cont'd)

USE OF RESOURCES: ESTIMATED DISTRIBUTION OF PROGRAMMES AND PROGRAMME SUPPORT BY REGION AND BY COUNTRY

(Thousands of United States Dollars)

Country	RESOURCES (2006-2007) a_/					P O S T S (2006-2007)			
	PROGRAMME				TOTAL	BSB Posts			
	Regular Resources	Other Resources	Total Resources	BSB (Gross)	Programme & BSB	IP	NP	GS/Oth.	Total Support
II. ARAB STATES AND EUROPE									
Albania	809.6	0.0	809.6	324.2	1,133.8	0	1	2	3
Algeria	2,563.8	0.0	2,563.8	726.8	3,290.6	1	2	4	7
Armenia	697.2	19.1	716.3	178.2	894.5	0	2	2	4
Azerbaijan	1,124.5	96.7	1,221.1	260.5	1,481.6	0	2	2	4
Bahrain	22.5	0.0	22.5	-	22.5	0	0	0	0
Belarus	314.9	34.5	349.3	-	349.3	0	0	0	0
Bosnia and Herzegovina	494.8	0.0	494.8	274.8	769.6	0	1	1	2
Bulgaria	314.9	0.0	314.9	-	314.9	0	0	0	0
Djibouti	1,214.4	0.0	1,214.4	307.9	1,522.4	0	1	2	3
Egypt	4,722.8	90.3	4,813.1	936.4	5,749.5	1	2	5	8
Estonia	67.5	0.0	67.5	-	67.5	0	0	0	0
Georgia	674.7	0.0	674.7	204.9	879.6	0	1	2	3
Iraq	4,025.6	4,864.5	8,890.1	644.2	9,534.4	1	1	4	6
Jordan	1,124.5	379.9	1,504.4	282.5	1,786.9	0	1	2	3
Kazakhstan	1,169.5	0.0	1,169.5	281.1	1,450.6	0	1	2	3
Kosovo	562.2	1,766.3	2,328.5	-	2,328.5	0	0	0	0
Kyrgyzstan	1,102.0	472.5	1,574.5	194.4	1,768.9	0	1	2	3
Latvia	157.4	0.0	157.4	-	157.4	0	0	0	0
Lebanon	809.6	1,389.3	2,198.9	441.4	2,640.3	0	1	2	3
Libyan Arab Jamahiriya	22.5	0.0	22.5	-	22.5	0	0	0	0
Lithuania	179.9	0.0	179.9	-	179.9	0	0	0	0
Morocco	3,575.9	271.4	3,847.3	1,072.7	4,920.0	1	2	4	7
Occupied Palestinian Territory	1,799.2	1,443.8	3,243.0	946.3	4,189.3	1	1	3	5
Oman	22.5	0.0	22.5	-	22.5	0	0	0	0
Poland	179.9	0.0	179.9	-	179.9	0	0	0	0
Qatar	22.5	0.0	22.5	-	22.5	0	0	0	0
Republic of Moldova	382.3	0.0	382.3	-	382.3	0	0	0	0
Romania	809.6	127.1	936.7	689.6	1,626.3	1	1	5	7
Russian Federation	1,506.8	127.4	1,634.2	1,037.4	2,671.6	1	1	3	5
Saudi Arabia	22.5	0.0	22.5	-	22.5	0	0	0	0
Serbia and Montenegro	247.4	0.0	247.4	-	247.4	0	0	0	0
Somalia	3,800.8	99.5	3,900.3	583.5	4,483.8	1	2	3	6
Sudan	7,871.4	252.3	8,123.7	1,651.6	9,775.3	3	3	5	11
Syrian Arab Republic	4,048.1	993.5	5,041.7	874.8	5,916.5	1	1	5	7
Tajikistan	1,124.5	0.0	1,124.5	142.1	1,266.6	0	1	2	3
Tunisia	1,124.5	684.4	1,808.9	221.7	2,030.6	0	1	2	3
Turkey	1,574.3	121.6	1,695.8	1,100.6	2,796.4	1	1	5	7
Turkmenistan	1,102.0	0.0	1,102.0	164.9	1,266.9	0	1	2	3
Ukraine	629.7	257.2	886.9	219.2	1,106.1	0	1	2	3
United Arab Emirates	22.5	0.0	22.5	-	22.5	0	0	0	0
Uzbekistan	1,866.6	0.0	1,866.6	970.7	2,837.3	2	2	4	8
Yemen	6,589.5	4,720.1	11,309.6	1,083.0	12,392.6	2	3	4	9
Regional Arab States	8,540.6	3,072.3	11,612.9	2,231.0	13,843.9	1	1	0	2
Subtotal, Arab States and Europe	**69,037.8**	**21,283.7**	**90,321.5**	**18,046.5**	**108,367.9**	**18**	**39**	**81**	**138**

TABLE VI (cont'd)

USE OF RESOURCES: ESTIMATED DISTRIBUTION OF PROGRAMMES AND PROGRAMME SUPPORT BY REGION AND BY COUNTRY

(Thousands of United States Dollars)

Country	RESOURCES (2006-2007) a_/					P O S T S (2006-2007)			
	PROGRAMME				TOTAL	BSB Posts			
	Regular Resources	Other Resources	Total Resources	BSB (Gross)	Programme & BSB	IP	NP	GS/Oth.	Total Support
III. ASIA AND THE PACIFIC									
Afghanistan	7,309.1	4,703.3	12,012.5	1,042.7	13,055.2	2	3	5	10
Bangladesh	14,978.1	6,174.1	21,152.2	1,206.6	22,358.8	2	3	5	10
Bhutan	1,799.2	0.0	1,799.2	122.6	1,921.8	0	2	2	4
Cambodia	5,622.4	149.9	5,772.3	1,121.4	6,893.7	2	3	5	10
India	30,361.0	1,573.4	31,934.5	1,357.5	33,292.0	2	3	5	10
China	9,828.0	408.9	10,236.9	1,464.9	11,701.8	2	4	5	11
Indonesia	10,412.7	4,721.3	15,134.0	923.0	16,057.0	1	3	5	9
Iran, Islamic Rep. of	4,305.6	112.9	4,318.4	899.6	5,218.0	1	2	5	8
Korea, Democratic People's Republic of	2,473.9	660.3	3,134.2	171.7	3,305.9	0	1	2	3
Lao People's Democratic Republic	2,249.0	40.3	2,289.3	895.3	3,184.6	2	2	5	9
Malaysia	404.8	475.8	880.6	-	880.6	0	0	0	0
Maldives	764.6	0.0	764.6	182.4	947.1	0	1	2	3
Mongolia	2,698.8	106.8	2,805.6	608.2	3,413.7	1	2	5	8
Myanmar	9,895.4	832.9	10,728.4	671.6	11,399.9	1	3	5	9
Nepal	7,871.4	7,542.9	15,414.3	1,102.3	16,516.6	2	3	5	10
Pacific Island Countries b_/	2,698.8	607.7	3,306.5	1,432.1	4,738.6	2	3	5	10
Pakistan	16,867.2	194.8	17,062.0	1,324.1	18,386.1	2	3	5	10
Papua New Guinea	2,361.4	0.0	2,361.4	858.6	3,220.1	1	2	5	8
Philippines	8,523.6	2,184.4	10,708.0	843.8	11,551.8	1	2	5	8
Sri Lanka	2,159.0	0.0	2,159.0	586.6	2,745.6	1	1	4	6
Thailand	2,249.0	0.0	2,249.0	437.6	2,686.6	0	1	2	3
Timor-Leste	1,281.9	193.3	1,475.2	673.5	2,148.7	1	2	5	8
Viet Nam	8,096.3	6,439.9	14,536.2	780.9	15,317.1	1	2	5	8
Regional Asia Pacific	6,211.4	2,234.4	8,445.8	2,872.8	11,318.6	1	2	0	3
Subtotal, Asia	**161,322.5**	**39,357.4**	**200,679.9**	**21,579.8**	**222,259.7**	**28**	**63**	**97**	**178**
IV. LATIN AMERICA AND THE CARIBBEAN									
Argentina	899.6	0.0	899.6	-	899.6	0	0	0	0
Bolivia	2,698.8	3,108.0	5,806.8	883.0	6,689.7	1	1	5	7
Brazil	1,799.2	773.5	2,572.7	1,211.2	3,783.8	1	3	4	8
Chile	449.8	0.0	449.8	-	449.8	0	0	0	0
Colombia	1,799.2	2,948.2	4,747.4	766.5	5,513.8	1	1	3	5
Costa Rica	899.6	500.6	1,400.2	325.2	1,725.4	0	1	2	3
Cuba	1,349.4	0.0	1,349.4	184.2	1,533.6	0	1	2	3
Dominican Republic	1,574.3	28.1	1,602.4	357.5	1,959.9	0	1	2	3
Ecuador	1,799.2	0.0	1,799.2	1,077.8	2,877.0	1	2	4	7
El Salvador	1,574.3	1,070.8	2,645.1	677.0	3,322.1	1	1	2	4
English and Dutch-Speaking Caribbean c_/	2,698.8	2,988.6	5,687.3	1,477.5	7,164.8	2	3	4	9
Guatemala	1,799.2	9,178.6	10,977.7	853.7	11,831.4	1	1	4	6
Haiti	4,497.9	1,080.2	5,578.2	1,331.6	6,909.7	2	2	4	8
Honduras	2,698.8	4,858.5	7,557.3	1,132.5	8,689.8	2	2	4	8
Mexico	2,249.0	2,272.2	4,521.1	1,743.4	6,264.6	1	2	5	8
Nicaragua	3,148.6	4,936.9	8,085.5	1,298.0	9,383.4	1	2	5	8
Panama	1,124.5	0.0	1,124.5	371.2	1,495.7	0	1	1	2
Paraguay	2,249.0	101.3	2,350.3	291.3	2,641.5	0	1	2	3
Peru	3,935.7	19,062.2	22,997.9	1,427.6	24,425.5	1	2	5	8
Uruguay	899.6	0.0	899.6	188.2	1,087.8	0	1	0	1
Venezuela (Bolivarian Republic of)	2,249.0	0.0	2,249.0	394.6	2,643.6	0	1	2	3
Regional Latin America	5,434.9	1,955.1	7,390.0	1,741.9	9,132.0	0	0	0	0
Subtotal, Latin America and the Carib	**47,827.9**	**54,862.9**	**102,690.8**	**17,733.8**	**120,424.6**	**15**	**29**	**60**	**104**
V. INTERREGIONAL									
Interregional	48,138.1	17,316.6	65,454.7	-	65,454.7	0	0	0	0
Subtotal, Interregional	**48,138.1**	**17,316.6**	**65,454.7**	**-**	**65,454.7**	**0**	**0**	**0**	**0**
GRAND TOTAL, ALL REGIONS	**520,177.4**	**190,000.0**	**710,177.4**	**106,408.7**	**824,586.0**	**109**	**263**	**424**	**796**

a_/ The breakdown of regular resources for programme between country and intercountry is based on the MYFF for 2004-2007. Breakdown by country is based on 2005 expenditure ceilings approved by the Executive Director. Other resources breakdown by country is based on expenditures for 2004 as recorded in Atlas.

b_/ South Pacific Island Countries (SOPI), consist of: Cook Islands, Fiji, Kiribati, Marshall Islands, Micronesia, Nauru, Niue, Pacific Islands, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu and Vanuatu.

c_/ English and Dutch-speaking Caribbean (ESC) consists of: Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Dominica, Guyana, Grenada, Jamaica, Montserrat, Netherlands Antilles, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, and Turks and Caicos Islands.

Annex I

TERMINOLOGY

The terms upon which common agreement has been reached and their corresponding definitions are provided below:

Appropriation line – Definition similar to that included in the financial regulations of UNDP, UNFPA and UNICEF

A subdivision of the appropriation for which a specific amount is shown in the appropriation decision and within which the executive head of an organization is authorized to make transfers without prior approval.

Biennial support budget

The budget of an organization covering programme support and management and administration of the organization.

Cost (increase or decrease) – Administrative Committee on Coordination definition

Any increase or decrease in the cost of a resource input in the budget period compared with that in the previous budget period, arising from changes in costs, prices and exchange rates.

Management and administration of the organization

Organizational units whose primary function is the maintenance of the identity, direction and well-being of an organization. This will typically include units that carry out the functions of executive direction, organizational policy and evaluation, external relations, information and administration.

Other resources

Resources of a voluntarily funded organization, other than regular resources, which are received for a specific programme purpose (other resources relating to programmes) and for the provision of specific services to third parties (other resources relating to reimbursements).

Other resources relating to programmes

Resources of a voluntarily funded organization, other than regular resources, which are received for a specific programme purpose that is consistent with the aims and activities of the organization. These include voluntary contributions, other governmental or intergovernmental payments, donations from non-governmental sources and related interest earnings, and miscellaneous income.

Other resources relating to reimbursements

Resources of a voluntarily funded organization that are received from third parties to cover the cost of providing specific services not related to carrying out programmes entrusted to it for implementation.

Programmes

Direct inputs needed to achieve the objectives of a specific project or programme for development cooperation. These may typically include experts, support personnel, supplies and equipment, subcontracts, cash assistance, and individual or group training.

Programme support

Organizational units whose primary function is the development, formulation, delivery and evaluation of an organization's programmes. These will typically include units that provide backstopping of programmes either on a technical, thematic, geographic, logistical or administrative basis.

Regular resources

Resources of a voluntarily funded organization that are commingled and untied. These include pledges of voluntary contributions, other governmental or intergovernmental payments, donations from non-governmental sources and related interest earnings, and miscellaneous income.

Various cost adjustments

Cost increases or decreases attributable to changes in rates or conditions not tied to currency or annual inflation adjustments.

Volume (increase or decrease)

Any increase or decrease in resource requirements attributable to changes in the level or nature of activities carried out by an organization during the current budget period and those proposed for the forthcoming budget period. Volume is expressed using the same cost factors applicable for the approved appropriations to permit direct comparison of these changes relative to the level of activities approved for the current budget period.

Annex II

METHODOLOGY

1. The methodology involves several sequential steps in calculating estimates. These calculations are effected separately for each year of a biennium. Essentially, the methodology is to take the approved appropriations for the first year of the current biennium and add the volume and cost adjustments, which results in the estimates required for the first year of the proposed biennium. Similarly, the approved appropriations for the second year of the current biennium are updated to result in the estimates required for the second year of the proposed biennium. It should be borne in mind that, normally, the time during which estimates are prepared for the proposed biennial support budget is during the first months of the second year of the current biennium. A description of each sequential step follows.

Volume adjustments

2. First, using the approved appropriations as a base, the real increases or decreases in requirements are calculated and designated as volume changes. Volume changes, as defined, represent the controllable elements in the estimates, subject to the executive head's assessment of what the organization requires to perform the task with which it is entrusted. Such volume changes are calculated at the same price levels as the approved appropriations in order to facilitate comparison with the currently approved base.

Various cost adjustments

3. To the approved appropriations and volume changes are added cost increases or decreases attributable to changes in rates or conditions not tied to currency or annual inflation adjustments. Except for within-grade increments, they reflect only known changes that have occurred in the two years since the preparation of the last biennial support budget. Such cost factors include, for example, decisions of the International Civil Service Commission on a variety of staff entitlements (e.g., dependency allowances and education grants), and changes in the average step of posts by grade level. These adjustments may also include estimates to cover within-grade increments for staff if the experience of the organization so warrants. Normally, but not exclusively, such cost adjustments apply to staff costs. An example of this type of cost adjustment for operating expenses would be a change in rate per square foot upon relocation of premises.

Currency adjustment

4. Currency adjustments are then calculated, by year, on the total of approved appropriations, volume and various cost adjustments. These currency adjustments would normally be the difference between the United Nations operational rate of exchange in effect on, for example, 1 April of the year preceding the current biennium and, for example, on 1 April of the second year of the current biennium, i.e., the time of preparation of the proposed biennial support budget. This factor is of particular importance given the extent of the field offices of the organization, where operating costs vary greatly with the strength or otherwise of the United States dollar.

Inflation adjustment

5. Finally, to complete the picture and to develop the final estimate of requirements for the next biennium, the organization must adjust or estimate, as appropriate, inflation over a four-year period.

These adjustments are calculated, by year, on the total of approved appropriations, volume and various cost adjustments, as adjusted for currency, as follows:

(a) For the first year of the current biennium to the first year of the proposed biennium. The existing estimates already embody earlier estimates of inflation. The inflation adjustment for this transition therefore includes:

(i) the difference between the application of earlier estimates and the actual inflation for the first year of the current biennium;

(ii) the difference between the application of earlier estimates and the revised inflation projection for the second year of the current biennium; and

(iii) the inflation projection for the first year of the proposed biennium.

(b) For the second year of the current biennium to the second year of the proposed biennium:

(i) - (iii) as in (a) above; and

(iv) the inflation projection for the second year of the proposed biennium.

6. In order to arrive at these estimates of inflation, four inflation factors for each location are adopted for each year:

(a) The first inflation factor pertains to the estimated movement of post adjustment for international professional staff;

(b) The second inflation factor pertains to international travel and common staff costs for internal professional staff (this is the same for all locations);

(c) The third factor encompasses salaries and common staff costs for local staff, i.e., in the national professional category and general service and other categories, which may vary significantly from location to location; and

(d) The fourth factor relates to all other costs, such as operating expenses.

7. Within the general framework, New York and Geneva are treated separately from field offices. For these two locations, the rates used are the same as those used by the United Nations unless specific contractual commitments differ.

8. Apart from a limited number of cost elements such as international travel and the common staff costs of international staff, the inflation factors for field offices must be location-specific. Estimates are compared with past experience and current global patterns and/or information that is available and published before being applied to the budget estimates.

Annex III

ACTIONS TAKEN TO IMPLEMENT THE RECOMMENDATIONS OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS, AS APPROVED BY THE UNDP/UNFPA EXECUTIVE BOARD

1. As requested by the ACABQ in paragraph 4 of its report, DP/FPA/2003/12, of 20 August 2003, UNFPA is pleased to provide this annex indicating actions taken to implement the recommendations of the ACABQ.

2. Paragraph 2 of document DP/FPA/2003/12 recommended that UNFPA shorten its budget document and expand the use of graphs and charts in order to make the document more reader friendly. The present document illustrates that UNFPA has implemented this recommendation. UNFPA has introduced tables in lieu of lengthy narratives. The budget document is shorter than the previous one, despite the addition of several tables, particularly those reflecting post changes and post reclassifications. It also provides a new organizational chart that contains information on the staffing structure and changes in posts, as requested.

3. Paragraph 3 of document DP/FPA/2003/12 recommended that UNFPA consider results-based budgeting techniques in preparing budget estimates. The Executive Board took note of this recommendation during discussions at its second regular session, 2003. UNFPA wishes to provide additional information on progress in this area:

(a) In the context of the finance and budget network established under the auspices of the High Level Committee on Management (HLCM), UNDP, UNFPA and UNICEF prepared a concept paper on results-based budgeting in the organization of the United Nations system (CEB/2005/HLCM/R.6). This paper was submitted to the HLCM during its ninth session held in Geneva, Switzerland, on 4-5 April 2005. The HLCM welcomed the report while recognizing that results-based budgeting entailed a complex and lengthy change in the management and organizational culture of each organization, and that there were no shortcuts.

(b) UNFPA is committed to implementing results-based budgeting. UNFPA is cooperating closely with UNDP and UNICEF on developing a common approach for the transition to results-based budgeting. The three organizations have identified the following building blocks:

(i) Results-based budgeting common framework. The results-based budgeting common framework is flexible enough to take into account the specificities and individual mandates of the agencies yet it has common elements in line with the recommendations of the Joint Inspection Unit report on managing for results in the United Nations system, the report mentioned in (a) above (CEB/2005/HLCM/R.6), and the simplification and harmonization initiative of programme implementation modalities of the UNDG Executive Committee agencies.

(ii) Harmonized results-based management/results-based budgeting terminology and definitions. Harmonizing language is the starting point for reaching a clear understanding of results-based management and results-based budgeting requirements in UNDP, UNFPA and UNICEF. The three organizations are currently working on common definitions for results-based budgeting.

(iii) Harmonized results-based budget format. UNDP, UNFPA and UNICEF have different programmes, but share the same harmonized biennial support budget methodology. This provides scope to move towards a common results-based budgeting framework that allows for a budget format that reflects the key elements of results-based budgeting – linking results to planned resources and ensuring the inclusion of performance indicators to measure progress towards achieving the planned targets.

4. Paragraph 7 of document DP/FPA/2003/12 encouraged UNFPA to continue its efforts to increase total available resources. Since the 2005-2005 budget estimates, the UNFPA donor base has increased, as reported in table 1 and as illustrated in figure A. The number of donors for regular resources has increased to a record 166 as of 2004. In order to further strengthen the fundraising capacity of UNFPA, two additional professional posts in resource mobilization have been proposed for the 2006-2007 biennium.

5. Paragraph 10 recommended the establishment of four national professional posts and one P-4 (audit specialist) post, and recommended further that the need for the remaining four posts should be reviewed and, if necessary, the proposal should be resubmitted and properly justified in the context of the proposed budget for the next biennium. Subsequently, in approving the estimates for the biennial support budget for 2004-2005, the Executive Board approved all posts requested by UNFPA.

6. Paragraphs 12 and 14 addressed the issue of post reclassifications. The Executive Board took note of the opinion of the ACABQ during its second regular session, 2003. In this budget proposal, UNFPA has proposed only post reclassifications that are based on changes in the nature of the functions to be undertaken. Furthermore, the implementation of the proposed reclassifications will be managed in full compliance with the established policies and criteria set by the International Civil Service Commission.

7. Finally, paragraph 13 recommended an increase in entry-level posts in the professional category. As previously indicated in document DP/FPA/2003/11, UNFPA has very little margin for junior-level posts due to the limited number of posts overall. Nevertheless, UNFPA has made progress in the direction of the ACABQ recommendation by introducing four entry-level posts from the net 11 proposed at headquarters for the 2006-2007 biennium.

Annex IV

DETAILS ON RECLASSIFICATIONS OF HEADQUARTERS POSTS

Division/Branch	Description/Post Number	New Level*	Upward Reclass.	Downward Reclass
OED	Chief, Office of the Executive Director - Post 1715	D1	1	
OED	Speech Writer - Post 7690	P5	1	
OED	Secretary - Post 1722	G6	1	
Total OED			**3**	**0**
DHR/Recruitment	Human Resources Assistant - Post 8544	G5	1	
DHR/LCMB	Training Assistant - Post 1949	G5	1	
DHR/Directorate	Secretary to Director - Post 1946	G6	1	
Total DHR			**3**	**0**
DMS/Finance	Accounts Officer - Post 1882	P4	1	
DMS/Finance	Accounts Officer - Post 8683	P4	1	
DMS/FMU	Administrative Associate - Post 1767	G6	1	
DMS/MIS	Application Development Manager – Post 1943	P5	1	
DMS/MIS	Technology Manager - Post 1941	P5	1	
Total DMS			**5**	**0**
HRU	Chief, HRU - Post 1829	D1	1	
HRU	Finance Associate - Post 1856	G6	1	
Total HRU			**2**	**0**
SPO	Chief, Knowledge Sharing - Post 1832	P5		1
Total SPO			**0**	**1**
TSD	Chief, CMU - Post 7658	D1	1	
TSD	Chief, Global Programme and Policy Support - Post 1828	D1	1	
TSD	Chief, Culture, Gender and Human Rights - Post 1944	D1	1	
TSD	Secretary - Post 1850	G5	1	
TSD	Personal Assistant to Director - Post 1843	G6	1	
Total TSD			**5**	**0**
IERD/EBERB	Executive Board Adviser - Post 1787	P5	1	
IERD/EBERB	Executive Board Adviser - Post 7692	P5	1	
IERD/Directorate	Personal Assistant to Director - Post 1798	G6	1	
IERD/RMB	Resource Mobilization Adviser - Post 1734	P5	1	
IERD/RMB	Co-financing Associate - Post 1813	G7	1	
Total IERD			**5**	**0**
Total reclassifications			**23**	**1**

* All upward reclassifications are from the immediately lower level. Similarly, one downward classification is from the immediately higher level (D1).